

1945

Annual Report
of the

TRUSTEES OF THE CENTRAL
RAILROAD CO. OF NEW JERSEY



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1945 ANNUAL REPORT

of the Trustee of

THE CENTRAL RAILROAD CO. OF NEW JERSEY

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THE CENTRAL RAILROAD CO. OF NEW JERSEY

CORPORATE DIRECTORS

ROY B. WHITE, *Chairman*

REVELLE W. BROWN

WILLIAM G. CURREN

GOLDTHWAITE H. DORR

WILLIAM V. GRIFFIN

HOWARD W. MAXWELL

THEODORE W. REATH

RUSSELL L. SNODGRASS

J. HAMILTON CHESTON

EXECUTIVE COMMITTEE

ROY B. WHITE, *Chairman*

GOLDTHWAITE H. DORR

THEODORE W. REATH

WILLIAM V. GRIFFIN

HOWARD W. MAXWELL

J. HAMILTON CHESTON

CORPORATE OFFICERS

ROY B. WHITE, *Chairman of the Board*..... Baltimore 1, Md.

CHARLES L. EWING, *Vice President*..... New York 6, N. Y.

WILLIAM KOHLER, *Secretary and Treasurer*..... New York 6, N. Y.

HOWARD L. KERN, *General Counsel*..... New York 6, N. Y.

ALEXANDER H. ELDER, *General Solicitor*..... New York 6, N. Y.

GENERAL OFFICES

Central Building, 143 Liberty St., New York 6, N. Y.

REGISTRAR OF TRANSFERS

Central Hanover Bank and Trust Co., 70 Broadway, New York 15, N. Y.

THE CENTRAL RAILROAD CO. OF NEW JERSEY

WALTER P. GARDNER, Trustee

GENERAL OFFICES

Terminal Building, Jersey City 2, N. J.

WILLIAM WYER, Chief Executive Officer

JAMES D. CARPENTER, JR., <i>Counsel for the Trustee</i>	Jersey City 2, N. J.
HOWARD L. KERN, <i>General Counsel</i>	New York 6, N. Y.
ALEXANDER H. ELDER, <i>General Solicitor</i>	New York 6, N. Y.
HOWARD B. THOMAS, <i>Assistant General Solicitor</i>	New York 6, N. Y.
WILLIAM F. HANLON, <i>Assistant General Solicitor</i>	New York 6, N. Y.
EARL T. MOORE, <i>General Manager</i>	Jersey City 2, N. J.
SYDNEY L. MAPES, <i>Assistant General Manager</i>	Jersey City 2, N. J.
GEORGE H. MASSY, <i>Superintendent Motive Power and Rolling Equipment</i>	Elizabethport 1, N. J.
PETER R. BROADLEY, <i>Mechanical Engineer</i>	Elizabethport 1, N. J.
NORTON P. WILLIS, <i>Superintendent of Transportation</i>	Jersey City 2, N. J.
THOMAS E. MACMANNIS, <i>Engineer Maintenance of Way</i>	Jersey City 2, N. J.
FRED W. BENDER, <i>Signal Engineer</i>	Jersey City 2, N. J.
RAYMOND W. KELLER, <i>Electrical Engineer</i>	Jersey City 2, N. J.
CHARLES L. EWING, <i>Chief Traffic Officer (Freight)</i>	New York 6, N. Y.
MATTHEW L. McELHENY, <i>Assistant to Chief Traffic Officer (Freight)</i>	New York 6, N. Y.
DON Y. SMITH, <i>General Freight Traffic Manager</i>	New York 6, N. Y.
*JOHN F. HOURIGAN, <i>Assistant Freight Traffic Manager</i>	New York 6, N. Y.
FRED E. GREGG, <i>Comptroller</i>	Jersey City 2, N. J.
PHILIP M. KELLY, <i>Assistant Comptroller</i>	Jersey City 2, N. J.
WILLIAM KOHLER, <i>Secretary and Treasurer</i>	New York 6, N. Y.
HARRY M. SANDERSON, <i>Assistant Secretary and Assistant Treasurer</i>	New York 6, N. Y.
ALBERT M. ZABRISKIE, <i>Chief Engineer</i>	Jersey City 2, N. J.
JOSEPH J. YATES, <i>Bridge Engineer</i>	Jersey City 2, N. J.
ESPY A. WORKMAN, <i>Purchasing Agent</i>	New York 6, N. Y.
RALPH E. THOMPSON, <i>Property Manager</i>	Jersey City 2, N. J.
RUSSELL C. SLACK, <i>Real Estate Agent</i>	Jersey City 2, N. J.
ENNETT J. GOODALE, <i>Valuation Engineer</i>	Jersey City 2, N. J.
*HARRY E. YERKES, <i>Passenger Traffic Manager</i>	New York 6, N. Y.
BENJAMIN D. BRANCH, <i>General Passenger Agent</i>	New York 6, N. Y.
*THOMAS F. CLARKIN, <i>Assistant General Passenger Agent</i>	New York 6, N. Y.
IRA GOLDOWSKY, M. D., <i>Medical Director</i>	Jersey City 2, N. J.
BENJAMIN F. DAVIS, <i>Assistant to Chief Executive Officer</i>	New York 6, N. Y.
PHILIP M. PARKER, <i>Assistant to Chief Executive Officer</i>	Jersey City 2, N. J.
JOSEPH T. SULLIVAN, <i>Director of Information</i>	Jersey City 2, N. J.
JOSEPH LLOYD, <i>Manager, Suggestion Plan</i>	Jersey City 2, N. J.

*Effective March 1, 1946.

THE TRUSTEE'S LETTER

JERSEY CITY, N. J.

August 1, 1946.

To Jersey Central Security Holders:

THE year 1945 saw our nation and its allies bring to a successful conclusion its wars with Germany and Japan, and your railroad, in common with the country's other rail carriers, was affected almost immediately by these developments.

The cessation of hostilities in late summer brought a rapid decrease in the heavy volume of wartime freight traffic carried over your company's lines, and as a result the Jersey Central's gross revenue dropped to \$55,546,969 in 1945 as compared to \$60,796,386 in 1944 and to the record \$62,974,869 in 1943. Another contributing factor to the decline was the three-week strike of Pennsylvania anthracite coal miners in the spring of the year.

Because of this drop in revenue, the accelerated amortization of defense projects, extraordinary retirement and deferred maintenance charges in December and heavier taxation by the State of New Jersey, your company had a net deficit of \$3,684,837 for the year. This compared with net incomes of \$217,932 in 1944 and \$712,860 in 1943.

The charge for the accelerated amortization of

defense projects, both equipment and road, was \$2,247,608. It was made in accordance with a directive issued by President Truman on September 30, 1945, and was in addition to regular charges of \$1,503,203 for the amortization of defense projects during the year. Thus the total charged to this item was \$3,750,811 in 1945.

Extraordinary retirements charged out in December by authority of the Interstate Commerce Commission totaled \$1,118,805 due principally to the abandonment of six miles of our Seashore Branch from Highland Beach to Long Branch, N. J., and to the retirement of coal pier 6½ at Elizabethport, N. J. Charges for deferred maintenance in December totaled \$649,354, but credits for picking up of deferred maintenance from earlier years brought the net increase in deferred maintenance for the year down to \$77,961.

Taxes paid to the State of New Jersey during 1945 totaled \$5,260,466, an increase of \$1,851,716 over 1944. The increase was almost entirely accounted for by the payment in November of \$1,651,318 in

CONDENSED INCOME STATEMENT

	1945	1944	Increase or Decrease	
			Amount	Percent
Receipts from the transportation of anthracite and bituminous coal, merchandise, passengers, etc.....	\$55,546,969	\$60,796,386	\$5,249,417	8.6
Cost of operating the railroad and maintaining the property	46,449,106	46,832,850	383,744	.8
Net Revenues.....	\$ 9,097,863	\$13,963,536	\$4,865,673	34.8
Federal, State and other taxes.....	\$ 6,307,873	\$ 6,027,251	\$ 280,622	4.7
Payments to other companies in excess of receipts from such companies for hire of equipment and use of joint facilities.....	2,644,641	3,439,793	795,152	23.1
Net Railway Operating Income.....	\$ 145,349	\$ 4,496,492	\$4,351,143	96.8
Income from investments in securities, property rentals and other items.....	\$ 1,136,830	\$ 1,055,856	\$ 80,974	7.7
Less miscellaneous income deductions.....	196,916	181,863	15,053	8.3
Income available for fixed charges.....	\$ 1,085,263	\$ 5,370,485	\$4,285,222	79.8
Fixed charges—interest on funded debt, rentals paid for leased railroads, etc.....	4,770,100	5,152,553	382,453	7.4
Income after fixed charges.....	\$ Ø3,684,837	\$ 217,932	\$3,902,769	
Percentage of each dollar of operating revenue consumed by operating expenses.....	83.62	77.03	6.59	8.6

Ø Denotes deficit.

Italics denote decreases; detailed Income Account starts on page 19.



Here is the type diesel-electric passenger locomotive which will be in operation shortly on your company's lines. Orders for three of the locomotives, which will cost about \$180,000 each, have been placed by your company's subsidiary, the Wharton and Northern Railroad Company. This picture was taken at the Asbury Park station of the New York and Long Branch Railroad during the spring of 1945 when we put the diesel-electric locomotive through exhaustive tests on our lines.

additional property taxes and penalties for the year 1941 levied in accordance with a 1945 State Supreme Court decision holding the 1941 New Jersey Railroad Tax Act unconstitutional as applied to the assessments for the year 1941. Although the State had not demanded these taxes in 1941 and it was not known that they were due until the 1945 decision, the amount required to be paid nevertheless included penalties at the rate of 12% per annum in the amount of \$531,527.

By reason of these extraordinary charges, your company will recover some of the federal income taxes it paid in earlier years. Our 1945 accounts show a net credit for federal income taxes accrued of \$780,693 as compared with a charge for this item in 1944 of \$734,522.

If these extraordinary increases in charges and the income tax reductions resulting therefrom are eliminated from our accounts, we would have shown a net income in 1945 of \$630,762.

The three-week anthracite strike, labor shortages in the anthracite mines and a curtailment of production by war plants after the end of the war caused a drop in our usually heavy traffic in coal. Our anthracite traffic dropped to 7,335,782 net tons in 1945 from 9,245,381 in 1944, and our bituminous movement declined to 9,906,764 net tons from 10,762,424. This fall in traffic decreased our anthracite revenues from the \$11,110,000 figure of 1944 to \$8,796,000 in 1945, while for the same 12-month period, bituminous revenues decreased from \$5,586,000 to \$5,096,000. The decline in anthracite revenues was \$2,315,000, while for bituminous it was \$490,000 a total decrease for coal of \$2,805,000.

The downward trend of our petroleum traffic, which was chiefly of a wartime character, continued again in 1945 with an increasing of pipeline capacity and the return to duty of oil tankers, driven from the seas by the submarine menace during the war. Our gross revenues from petroleum traffic were

\$4,543,882 in 1945 as compared to \$6,827,296 in 1944 and \$9,252,253 in 1943.

The ending of the war also brought a reduction in our revenues from shipments of other mine products, forest and manufactured products, and miscellaneous merchandise. However, our revenues from products of agriculture and animals and their products increased as the United States stepped up its program of shipping foodstuffs overseas to feed starving Europeans. Much food enroute to Europe has passed over our lines again this year and the traffic is expected to be increasingly heavy in the ensuing months.

As predicted in last year's annual report, our revenues from cement increased in 1945 with the resumption of residential and commercial building after the war. Revenues from cement, much of which comes from the Lehigh district around Northampton and Siegfried, Pa., rose in 1945 to \$697,019 from the \$544,938 of the previous year. A further increase in revenue from this source is expected again this year because of the State of New Jersey's plans soon to embark on a huge highway building program.

The ending of the war also caused a decline in our passenger traffic because of the curtailment of employe forces by many industries faced with the necessity of converting from wartime to peacetime production. We carried 23,838,651 passengers in 1945, compared to 25,272,127 in the previous year and 27,388,084 in 1943. Of the 1945 total, 12,938,669 were commutation riders. This figure also is a drop from the 13,578,438 commutation riders carried in 1944 and the 14,648,226 in 1943.

In addition to these regular passengers, we transported 903,898 members of the armed forces in organized troop movements in 1945, compared to 981,129 in 1944, and 798,814 in 1943. Our traffic in men returning for discharge was especially heavy in the fall and this phase of our war job is not yet completed for we have daily troop movements between our Jersey City Terminal and Camp Kilmer.

Because of the drop in the number of passengers carried in 1945, our revenues from passenger fares dropped to \$7,093,140 from \$7,505,468 in 1944 and \$8,025,152 in 1943. Of this commutation revenue was \$2,515,910, compared to \$2,497,193 in the previous year and to \$2,751,592 in 1943. The increase in commutation revenues, despite a loss in the number of riders carried, is attributed to an increase in the number of long-haul commuters.

Our overall passenger revenue, which includes income for mail and express service on our passenger trains, totaled \$9,074,474 in 1945, as against expense, taxes and fixed charges of \$16,105,533. This left us with a deficit of \$7,031,059 in operation of our passenger service. These figures compared with an overall passenger revenue of \$9,799,992 in 1944 as against charges of \$15,779,265, or a deficit of \$5,979,273. At least three-fourths of these losses occur in operation of suburban service.

Passenger Deficits Rise

The charts on the page to the right show that all revenues attributable to passenger service, including mail, express, ferries, etc., totaled \$9,074,474 in 1945 against expenses, taxes and fixed charges of \$16,105,533, or a deficit of \$7,031,059. This loss had to be made up from our freight operations, thus eating up all the profit from the latter and leaving a net loss from carrier operations of \$4,624,751. Except for fixed charges, costs are assigned to each type of service in accordance with Interstate Commerce Commission accounting instructions. The Commission does not provide any instructions for allocating fixed charges between classes of service, so those have been divided in proportion to other items of expense.

Passenger Rates

Because of these increasing annual losses and the rising expense of operating our passenger service, your company on October 17, 1945, filed tariffs with the Interstate Commerce Commission and the New Jersey State Board of Public Utility Commissioners calling for a 20% increase in our commutation fare rates.

The increased rates were to have gone into effect on December 1, 1945, but both government agencies suspended them pending hearings. This year the I. C. C. held hearings on the interstate tariffs and the New Jersey Board held hearings on the intrastate tariffs.

At both hearings we offered testimony showing that our commutation fares generally were 20% lower than those of other steam-operated railroads in the metropolitan New York area. It also was noted that our rates had not been raised since 1920, despite the ever-increasing costs of wages, materials, fuels, equipment and taxes.

On May 14, 1946, the I. C. C. granted us authority to raise our interstate rates by 20% and the new rates went into effect May 27. The bulk of our commuters are interstate travelers and it is expected this increase will swell our revenues by \$300,000 annually.

Several days after the I. C. C. returned its decision, the New Jersey Board announced it had rejected our new tariffs. It qualified its rejection, however, with the statement that if your company would institute at a reduced rate a 46-trip monthly commutation ticket in addition to the present 60-trip monthly ticket that it probably would react favorably on our petition for the 20% raise. After careful study of the Board's decision we have reached the conclusion that the Board is not justified, in view of our heavy losses

Passengers



ALL OTHER PASSENGER
EXPRESS
MAIL

PASSENGERS

INCOME

\$	960,510
\$	760,239
\$	750,585

\$	7,093,140
----	-----------

TOTAL \$ 9,074,474

OUTGO

RENTALS
INTEREST ON DEBT
(INCLUDES \$395. UNFUNDED)

\$	350,104
----	---------

\$	672,953
----	---------

\$	1,993,887
----	-----------

TAXES
GENERAL TRAFFIC EXPENSES
DEPRECIATION, AMORTIZATION

\$	626,769
----	---------

\$	858,630
----	---------

COST OF MAINTAINING
ROADWAY, STATIONS,
SIGNALS, ETC.

\$	2,255,518
----	-----------

COST OF MAINTAINING
EQUIPMENT

\$	2,372,100
----	-----------

COST OF OPERATING
TRAINS, STATIONS, PIERS &
OTHER FACILITIES

\$	6,975,572
----	-----------

TOTAL \$16,105,533

OUR

\$56,683,799

BUSINESS

RESULTED IN:

PASSENGER LOSS

\$7,031,059

FREIGHT PROFIT

\$2,406,308

NET LOSS

FROM CARRIER

OPERATIONS

\$4,624,751

NET PROFIT

FROM

NON-CARRIER

OPERATIONS

(INCOME FROM

SECURITIES AND

LEASE OF

NON-CARRIER

PROPERTY, ETC.)

\$939,914

NET DEFICIT

\$3,684,837

Freight



ALL OTHER FREIGHT
REVENUE

BITUMINOUS COAL

PETROLEUM
AND PRODUCTS

ANTHRACITE COAL

MERCHANDISE (OTHER
THAN PETROLEUM
AND PRODUCTS)

INCOME

\$	1,676,768
----	-----------

\$	5,096,000
----	-----------

\$	4,543,882
----	-----------

\$	8,796,000
----	-----------

\$	26,359,845
----	------------

TOTAL \$46,472,495

OUTGO

RENT FOR LEASED ROADS

\$	2,159,711
----	-----------

INTEREST ON DEBT (IN-
CLUDES \$3,644 UNFUNDED)

\$	1,750,516
----	-----------

RENTAL EQUIPMENT AND
JOINT FACILITIES

\$	2,481,457
----	-----------

TAXES

\$	4,313,986
----	-----------

GENERAL AND
TRAFFIC EXPENSES

\$	1,927,155
----	-----------

DEPRECIATION AND
AMORTIZATION CHARGES

\$	5,368,624
----	-----------

COST OF MAINTAINING
ROADWAY, STATIONS,
SIGNALS, ETC.

\$	4,318,895
----	-----------

COST OF MAINTAINING
EQUIPMENT

\$	5,403,188
----	-----------

COST OF OPERATING
TRAINS, STATIONS, PIERS
AND OTHER FACILITIES

\$	16,342,655
----	------------

TOTAL \$49,066,187

in this service, in asking us in any way to reduce our commutation fares, and that its order places an undue burden on Interstate Commerce. We expect to contest the decision before other tribunals.

Another important development involving our passenger service was our almost wholly successful effort to have 67 trains, ordered out of service in March, 1944, by the Office of Defense Transportation as a war conservation measure, permanently discontinued. Authority to permanently discontinue 62 of the trains was granted by the New Jersey Utilities Board on February 5, 1946, after extensive hearings to determine whether they were needed to provide adequate suburban service. These 62 trains had been operated at a loss of about \$500,000 annually.

Wages and Salaries

Your company paid out \$28,169,058 in wages and salaries to employes during 1945, a decrease of \$1,471,242 from the previous year. The cut was made possible by the ending of overtime made necessary by the war and a slight reduction in forces toward the end of the year. During 1945 we had an average of 9,996 employes on our payroll as compared to a 10,237 average in 1944.

No general wage increases were granted in 1945, but in mid-year the 20 railroad brotherhoods represented on the railroad presented demands for a \$2.50-a-day pay increase and for numerous working rule changes. If the rules asked had been put into effect the cost would have been prohibitive.

After protracted negotiations all of the brotherhoods, excepting the Trainmen and the Locomotive Engineers, agreed to withdraw their working rule demands and to settle for a wage increase. In the spring of 1946, employes covered by the 18 brotherhoods which waived their working rule demands were offered and accepted increases of 16 cents an hour, retroactive to January 1, 1946. In the meantime the Trainmen and Engineers had called a nation-wide strike to enforce their demands for increased wages and working rule changes. In accordance with the provisions of the Railway Labor Act President Truman appointed an emergency board to consider and report on the dispute. In view of the special hardship which would have been imposed on us by some of the working rule changes we appeared separately before the emergency board to present our case. The board recommended the same wage increase which the other 18 brotherhoods had accepted and also recommended for railroads generally some minor changes in working rules but these were not recommended as to your company. We announced our willingness to accept the recommendations of the emergency board, but the Trainmen and Engineers refused to do so, and at 4:00 P.M., May 23, made their strike effective on practically every railroad in the nation.

In the meantime President Truman had proposed that the dispute be settled by the acceptance of a wage increase of 18½ cents an hour, the additional 2½ cents being in lieu of the working rule changes recommended by the board, together with an agreement to waive working rule change demands and any new wage demands for a period of one year. At 4:00 P.M., May 25, the national officers of the two striking unions finally accepted the President's suggestion and ordered their men back to work. The new terms were also accepted by the other 18 brotherhoods.

Our financial officers estimate that the 18½ cents an hour wage increases will increase our annual payroll by \$5,500,000. In addition to this, the increases will raise our payroll taxes by more than \$300,000. In 1945 we paid \$1,703,544 in payroll taxes as compared to \$1,775,205 in 1944. Wage increases granted earlier in the war period amount to about \$5,240,024 in annual payroll and \$314,402 in payroll taxes.

During the two-day strike of trainmen and engineers your company's freight operations were completely halted except for some yard switching and for coal dumping operations at Pier 18, performed by company officials and supervisors who volunteered to take over. In passenger service, we operated 12 commuter trains daily during the strike. Volunteer officers, supervisors and employes served on the crews of the trains along with the regular firemen and conductors.

Freight Rates

In view of the recently granted wage increases and because of the increased cost of materials and equipment, all of the nation's railroads have filed petitions with the I. C. C. asking for a maximum 25% increase in freight rates. After preliminary hearings on this petition the Commission granted an emergency increase of 11% in the eastern region, in which your company's lines are located, and announced that further hearings would be held with a view to determining what additional increases were required.

In October, 1945, the I. C. C. ordered a 25 cents a ton reduction in the rates for hauling anthracite coal from the Pennsylvania mining regions to railroad piers in the New York Harbor area. The ~~increase~~ decrease was to have gone into effect in January, 1946, but appeals from the order by your railroad and nine Eastern roads have delayed the effective date.

The case now is before a three-man federal court at Newark, N. J., which has heard argument on a petition filed by the ten carriers asking for a permanent injunction against the I. C. C. order.

Present rates on Pennsylvania anthracite to New York Harbor's upper piers, including your company's busy Pier 18 at Jersey City, are \$2.50 per long ton on prepared sizes and \$2.38 on pea and smaller sizes. If the I. C. C. order eventually is upheld it will reduce

the Jersey Central's annual revenues by \$350,000 or more annually.

Fifteen Eastern and Northern states have appealed to the United States Supreme Court from the I. C. C.'s May 15, 1945, order directing an increase in the so-called "class" freight rates by 10% in official, or eastern, territory, in which we operate, and decreasing these same rates by 10% in southern, western trunk line and southwestern territories. The decision also decreased "class" rates between official territory and other territories by 10%.

The appeal was taken to the nation's highest court after a three-man federal court at Utica, N. Y., on May 28, 1946, refused to upset the I. C. C. order and issue a permanent injunction against it. If allowed to be put into effect this order will increase our freight revenues by about \$70,000 annually. However, from a long-term of view it will probably work to the disadvantage of eastern roads because it indicates the initiation of a policy aimed at discouraging further development of industry in the eastern and northeastern sections of the country. It is on these grounds that the 15 states are attacking the order and asking that a permanent injunction against it be granted.

Lighterage and Carfloatage Divisions

Representatives of the I. C. C. recently commenced hearings on your company's request for higher lighterage and carfloatage allowances out of the present joint freight rates and for an order requiring other New York Harbor lines to stop accepting the present below-cost allowances for such port delivery services.

As explained in last year's annual report, where the subject was covered in full, this dispute is with other railroads and the amount of the rates paid by the shippers is not involved in the complaint.

At present we are generally receiving only 88 cents a ton for performing this port delivery service, while the extensive lighterage services the Jersey Central performs at its docks and piers on the Hudson River have been costing an average of more than \$3.15 a ton, and its carfloatage services have been costing more than \$2.70 a ton.

Unpaid Taxes

New Jersey taxes were discussed at some length in the annual report for the year 1944. The following is intended to supplement and bring up to date that statement of the Jersey Central's tax problems, both past and current.

After the Bankruptcy Court had ruled on March 5th, 1945 (as set forth in the statement in the 1944 annual report) that it had jurisdiction over the Claims of the State of New Jersey for taxes alleged to be due for the years 1932 to 1939, the State of New

Jersey appealed to the United States Circuit Court of Appeals, Third Circuit. This appeal was argued on June 20th and a decision was handed down on November 15, 1945, holding that the Bankruptcy Court had only limited jurisdiction over the State's tax claims, i.e., that prior decisions of the Federal Courts had decided certain questions raised by the Trustees' Objections to the State's claims for the years 1932 to 1936 inclusive, and that the only matters left open for the Bankruptcy Court to pass upon are:

1. Mathematical error in the computation of the amount of the tax,
2. Legal error in its assessment.

On April 20, 1946, after a petition for a rehearing had been denied, your Trustee applied to the United States Supreme Court for a writ of certiorari to review the decision of the Circuit Court of Appeals. The United States Supreme Court denied that application on May 20, 1946, but on June 10, 1946, reversed itself by granting a petition for reconsideration filed by the Trustee, and also granting the Trustee's petition for a writ of certiorari to review the decision of the United States Circuit Court of Appeals, Third Circuit. It is expected that the matter will be argued this fall.

As a result of the opinion of the Circuit Court of Appeals, dated November 15, 1945, the Debtor's Trustees, on December 27, 1945, filed with the Bankruptcy Court an amendment of their supplemental and amended objections to the State's claims, withdrawing all defenses (except to the extent that the Tax Settlement Acts might be considered a defense) as to the principal amount of the taxes assessed for the years 1934 to 1936, inclusive. Similar withdrawal of defenses had been made in 1944 as to the principal amount of the taxes assessed for the years 1932 and 1933.

The Trustees have asked the Bankruptcy Court to determine the amount of the taxes legally payable by the Estate of the Debtor and the extent of the lien of the State therefor and for a determination as to whether there was adequate consideration under the Settlement Acts by reason of the withdrawals and waivers of contest as to the amounts of the assessments for the years 1932 to 1940, inclusive, and the waiver of the right to contest the taxes assessed for the year 1941, to render the settlement made under the Settlement Acts valid as to the Debtor's estate. The jurisdiction of the Bankruptcy Court to pass on these questions is one of the principal questions involved in the proceedings now pending in the Supreme Court of the United States.

On August 29, 1945, the New Jersey Supreme Court rendered a decision holding the 1941 New Jersey Railroad Tax Act unconstitutional as applied to the assessments for the year 1941. This resulted in your Trustee paying on behalf of the Debtor's estate pursuant to court order on November 15, 1945,



This is a view of your company's well-known Ashley Planes near Wilkes-Barre, Pa., and two of the special type of mountain-climbing pushers, known as "Barneys," used to push Jersey Central Lines freight cars up a series of extremely steep mountain grades, which range up to $14\frac{3}{4}\%$. By using the Planes, an ingenious railroading operation which is $2\frac{1}{2}$ miles long, instead of a more circuitous route around the mountain many miles of travel and much time is saved in hauling freight.

an additional amount of \$1,651,318.08 (which includes \$531,527.30 interest) in order to discharge the Debtor's tax liability for the year 1941.

On May 3, 1946, the New Jersey Court of Errors and Appeals, reversing the New Jersey Supreme Court, held that Act constitutional. Your Trustee, therefore, is entitled to refund, or credit against future taxes, of the aforesaid additional amount paid on November 15, 1945.

A significant development during the year 1945 was a decision by the New Jersey Supreme Court as to method of application, as between principal and interest, of payments on taxes theretofore made by the Debtor and other railroads. The decision was to the effect that where railroads in the past had made payments on account of past due taxes, directing that the payments be applied entirely on account of the principal thereof, the State Comptroller has no authority to apply the entire payment to principal but was required to apply it to as much of the principal and the interest thereon as it would cover. Since

the State had contended in its Reply of December 12, 1944, to the Trustees' Supplemental and Amended Objections to the State's Proofs of Claims, that all previous payments made on account of principal should first be applied to the payment of interest until interest had been paid in full, the effect of this decision would be to reduce the State's estimated maximum claims for taxes for the year 1932 to 1940, inclusive, including interest penalties computed to December 31, 1945, as set forth in the State's Reply of December 12, 1944 to the Trustees' Supplemental and Amended Objections, from \$31,153,163.18 to \$30,062,163.67. This decision was appealed to the New Jersey Court of Errors and Appeals by the City of Jersey City.

Pursuant to Court order the Debtor's Trustees on November 29, 1945, continued to comply with the Tax Settlement Acts by making a further tender of \$900,000 on account of the annual installment, payable on December 1, 1945, and interest due to that date, pursuant to the Tax Settlement Acts. This

tender was rejected by the State and the check was returned by the State Treasurer to the Debtor's Trustees.

Throughout the reorganization proceedings of the Debtor's estate the basic policy of your Trustees has been to endeavor to get a judicial determination of the amount of past due taxes lawfully payable by the Debtor's estate. They have been unable to secure such a determination up to this time, due first to the long litigation with respect to the Settlement Acts, and later to the contentions of the State that the Bankruptcy Court was without jurisdiction to make such a determination.

In the meantime, the State has in briefs made contingent claims, indefinite in amount, but greatly in excess of the amounts for which proofs of claims were filed by the State's officers, based on the contention that interest is running at the rate of 1% per month, even after acceptance of the Settlement Acts, not only on the amounts for which proofs of claims were filed but on additional amounts alleged to be due by reason of the State's theory as to the application of payments for any year to interest before any application of payment could be made to principal. The state has made such contentions not only as to payments made by the Debtor prior to bankruptcy (contrary to the proofs of claims filed) but also as to payments authorized by the Bankruptcy Court on account of taxes for some of the years involved.

In an endeavor to pay such taxes as could lawfully be paid without a final determination of the amounts due from the Debtor's estate, and in order to stop the running of as much interest as possible which may be found to be legally or equitably due, your Trustee petitioned the Bankruptcy Court for instructions, and after notice to all parties in interest and hearing, was authorized by Order No. 333, entered on April 26, 1946, which was consented to by the State, to pay to the State of New Jersey the sum of \$15,250,000.00 without prejudice to the right to continue to litigate questions as to the Debtor's tax liability, and on condition that if said payment should involve an overpayment, the excess would be credited upon future taxes. Said order also instructed that the Trustee regain possession of the certified checks for amounts aggregating \$3,577,689.52 which had been deposited with the State Treasurer in compliance with the terms of the Settlement Act, "without prejudice to the effectiveness of said tenders or any other tenders or the legal consequences that may be found to have ensued therefrom," and to use the funds represented by said checks toward making the aforesaid payment. Your Trustee made the authorized payment on May 6, 1946, and is advised by counsel that it will have the effect of stopping the further running of penalties and interest on such principal amount of taxes as the payment is ultimately found to have discharged.

Current Tax Problems

As stated in our last annual report, the Trustees, believing that the franchise tax as assessed by the New Jersey taxing officials under the New Jersey Railroad Franchise Tax Act for the years 1942-1945, inclusive, resulted in the case of the Jersey Central in an illegal attempt to reach out and tax the Pennsylvania earnings of the company, appealed to the New Jersey courts from the franchise tax assessments made for the said years. Owing to the fact that this question had not been passed upon by the New Jersey Supreme Court, although it had been pending for a long time after submission, the Trustees were confronted with the necessity of weighing the prospects of success in this litigation with the advantages of final settlement thereof so as to avoid any contention under Federal Tax Laws that the payments were not deductible as expenses so long as liability was being contested. They accordingly obtained an order of the Bankruptcy Court entered December 26, 1945, authorizing and directing them to withdraw all of said franchise tax appeals, and complied with said order prior to January 1, 1946.

The proposed segregation of the operations of the New Jersey and Pennsylvania properties of the Debtor, referred to in the 1944 annual report as a step toward mitigating the burden of New Jersey state franchise taxes, was approved by the Bankruptcy Court by order dated May 26, 1944, and the Debtor's Trustees were directed to apply for the approval of the Interstate Commerce Commission to the proposed transfer. On an application made for that purpose, hearings were held before the Interstate Commerce Commission on November 16th and 17th, 1945. On June 26, 1946, the Commission approved our application, effective August 5, 1946.

In the year 1942, the New Jersey State Board of Tax Appeals handed down a decision reducing the 1942 state property taxes by \$117,510.21. This decision was reversed by the New Jersey Supreme Court on January 31st, 1946, thereby cancelling the reduction. This decision is being appealed by the Trustee to the New Jersey Court of Errors and Appeals.

On May 8, 1945, the New Jersey Division of Tax Appeals (formerly known as the Board of Tax Appeals) handed down a decision reducing the 1944 state property taxes by \$23,681.04. This decision has been appealed both by your Trustee and by the City of Jersey City to the New Jersey Supreme Court.

Appeals to the Division of Tax Appeals against the 1945 state property taxes were filed by both your Trustee and the City of Jersey City. Your Trustee's appeal requested a reduction in the taxes; the City's appeal requested an increase in the taxes. These appeals have been heard by, and argued before, the Division of Tax Appeals, but no decision has been issued as yet.

New Equipment and Improvements

During 1945 your company's subsidiary, the Wharton and Northern Railroad Company, placed orders with the Baldwin Locomotive Works for three diesel-electric 2,000-horsepower passenger locomotives. Conditional orders were placed by the Cental of Pennsylvania with the same firm for five 4,500-horsepower road freight diesel locomotives, and with the Electro-Motive Corporation for a like number of the same. Delivery of this equipment has been delayed by the recent series of industrial strikes. The passenger locomotives will cost about \$180,000 each and the freight locomotives about \$375,000 each.

These 13 locomotives will be of the double-end type, having an operator's cab at each end. This will permit operation in either direction without turning at terminals. The passenger locomotives will be capable of operating at speeds up to 90 miles per hour, while the freight locomotives will be powerful enough to operate heavy freight trains at speeds up to 60 miles per hour.

These will be our first road passenger and road freight diesels, and the advantages of the new equipment will include faster service, lower operating costs and the elimination of smoke nuisances.

Although this will mark a new era of motive power for your railroad, your company was the first railroad in the United States to place in operation a diesel-electric switching locomotive. Our original purchase, which was made in 1925, still is in daily service at our Bronx (N. Y.) Terminal. Since 1925 we have added 30 more diesel switchers to our equipment.

Improvements made to our fixed property during 1945 included the expenditure of \$69,034 for the installation of flood lighting in our passenger, freight and float yards at Jersey City and for a partial re-vamping of tracks in the freight yard; \$28,474 for construction of a paint spraying plant at Elizabethport; \$26,608 for improvements to the engine terminal at Mauch Chunk, Pa.; \$52,536 for the replacing of two bridge spans at Northampton, Pa., and \$112,858 for numerous minor improvements to our roadbed and tracks on all divisions.

During 1945 we also spent \$82,569 under our program of providing better lighting for all your company's passenger coaches. This project, which was started in 1944, is expected to be completed this year. We estimate the total cost of this program will be about \$316,000. Prior to institution of this better lighting program, all our suburban coaches were battery lighted. Now we are substituting for battery lighting a generator mounted on the tender of the locomotive and operated by the locomotive. This system furnishes a steady flow of current throughout the train regardless of whether the train is moving or standing, which is not possible on short haul runs when batteries are used.

Retirements

As mentioned earlier in this report, our principal retirements during 1945 were a section of our Seashore Branch and Dock 6½ at Elizabethport. Abandonment of the six-mile stretch of the Seashore Branch, which ran parallel with the Atlantic Ocean's shoreline and just a few feet from it, was decided upon because of heavy losses incurred in operating it caused by a steady decline in traffic. Beach erosion and damage to the bulkhead protecting the line would have required an expenditure of approximately \$611,000 to insure continued operation along this highly-unprofitable stretch.

For the past few years service on the abandoned stretch had not been too dependable because of erosion and damage caused when northeast storms hit the Central New Jersey area. During a 12-month period in 1944 and 1945 the stretch had been out of service nine times, for periods ranging from several hours to as long as one week because of storm damage.

At present the abandoned right-of-way is being held for sale to the State of New Jersey or the County of Monmouth either for the widening of an existing two-lane heavily traveled highway into a four-lane roadway or for better ocean protection for both the present road and the properties in the communities along the right-of-way. For years the Jersey Central had provided the communities along the right-of-way with their only protection from the angry stretch of the Atlantic bordering their property.

Dock 6½ long had been operated at a loss and the small amount of coal and slag formerly handled there is being taken care of adequately at other points on your company's properties. We have placed the dock and unused property adjoining it on the market for sale.

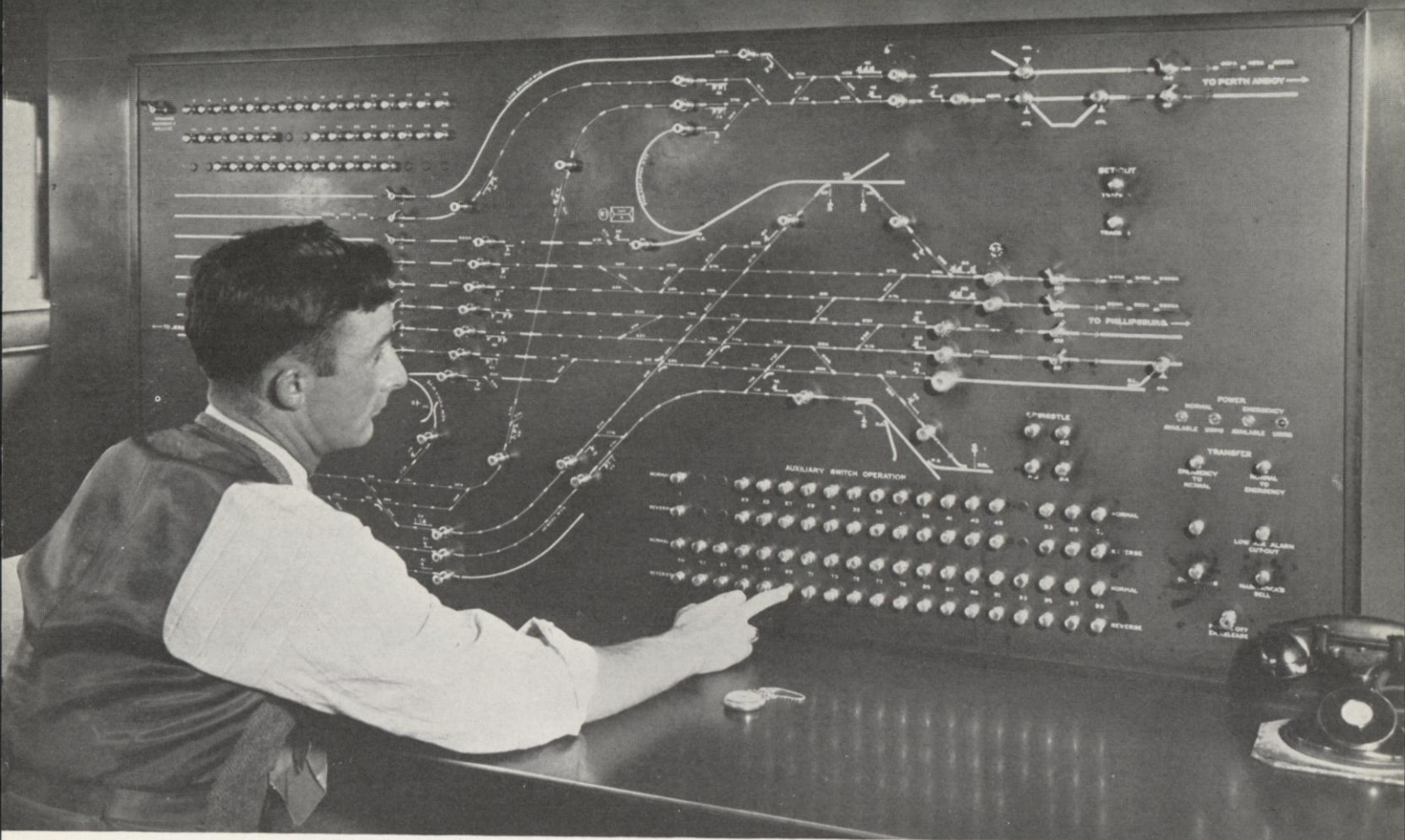
Studies still are being carried out with the aim of retiring more deficit-producing branch mileage and structures.

Profit-Sharing

A proposal for the institution of a profit-sharing plan on your railroad has been submitted to the employees through their labor organization representatives, and several discussions between management and labor have been held on this subject. As yet no agreement has been reached as to whether or not such a plan should be put into effect.

The offering of the profit-sharing proposal is a part of our continuing program to enlist the 100% cooperation of all employees in restoring this railroad to a condition of prosperity and in better serving the general public.

We believe that a profit-sharing plan, utilizing full union and employee cooperation in the many ways



This traffic control panel—one of the most modern in the world—is a part of the equipment at your company's RU Tower at Elizabethport, N. J. At the panel is Signalman John Leimpeter of Port Reading, N. J., who during his eight-hour tour of duty guides more than 150 passenger and freight trains through the busy intersection at Elizabethport. Three million feet of electrical wiring link this intricate panel with tracks and signals it controls and at his fingertips the operator has 200 buttons which actuate the various switches and signals governing the busy intersection. As a train approaches the intersection, there appears on the traffic control panel a red line of light. This is the operator's cue to press the entrance and exit buttons which cause all of the switches and signals concerned to be set for the train's route. A procession of amber lights across the panel indicates this route, the lights changing to red while the train is passing, and then blinking out as the train passes beyond. This set up furnishes a swift, sure, safe, up-to-the-minute method for controlling train movements.

that genuinely interested partners can help, will assist in solving many of the problems facing your individual railroad in addition to possessing the other advantages inherent in such a plan.

We believe profit-sharing would transform the traditional position of employes vs. management to employes with management. Obviously, under the present set-up, one of the principal aims of labor organizations is to obtain as much as they can without regard to the results of such a policy, while management must be careful to pay no more than it can afford, since to do otherwise would jeopardize the existence of the business. Under a profit-sharing plan, the employes automatically would be guaranteed the maximum proportionate share of the earnings consistent with continued operation of the business, and would have every inducement to do their best for the company's welfare, since they would benefit in

direct proportion to their efforts.

We believe also that profit-sharing would:

1. Operate in favor of steady employment, with less seasonal fluctuation, and with fewer jobs subject to discontinuance in times of depression.
2. Allay suspicion by showing labor, through consultation, what really goes on in the management of a business.
3. Strengthen the credit of the company, and insure the gradual reduction of debt and interest charges, thus enabling the company better to raise money needed to equip itself to compete successfully with other forms of transportation.
4. Utilize more directly the political power of our organized employes, to help bring about less legislative discrimination against the railroads and in favor of their government-subsidized competitors.

We realize, that as a practical matter, it may be difficult to obtain the agreement of the 23 individual union organizations with which we have collective bargaining contracts to join us in such a plan, just as it is difficult to obtain the agreement of any substantial number of people on almost anything.

We believe, however, that profit-sharing is right in principle and that all railroad labor organizations will eventually join us in working out an acceptable plan if the leading ones will first agree. Admittedly there would be many problems in drafting and inaugurating such a plan, but we are willing and anxious to make the experiment in the thought that it offers everyone so many advantages that they will much more than balance the problems which such a plan would create.

There is profit in profit-sharing for owners and employees, and increased security for investors.

Suggestion Plan

On September 10, 1945, your railroad put into effect a Suggestion Plan through which employees may submit ideas for improving our services, safety and working conditions, for eliminating wastes and for increasing our revenues.

By March 31, 1946, employees had submitted 634 suggestions and 67 of them had received cash awards totaling \$1,195. The awards are made by a nine-member Suggestion Plan general committee composed of four labor and four management representatives and headed by Joseph Lloyd, who started his career with the Central Railroad twenty years ago as a laborer and rose through the ranks to a supervisory post before his appointment as Manager, Suggestion Plan.

Suggestions are submitted to Mr. Lloyd and he in turn hands them over to one of the six four-member local committees functioning on the railroad for screening. The local committees have the power to approve or reject a suggestion. If approved, the suggestion then is submitted by Mr. Lloyd to the department head or heads whose departments may be effected by the suggestion for comment and detailed information.

The suggestion and the information gathered then is submitted to the General Committee for final action.

The Suggestion Plan has the enthusiastic backing of the employees and our early experience with it has already shown it has great possibilities in advancing the welfare of your company and its employees.

Jersey Central at War

Your company regrets to report that 53 of its employees lost their lives in the service of our nation during the recent war. These 53 honored dead were among the 3,397 employees who answered the call to colors during the war. By May 31, 1946, 1,748 of the total number granted military leaves had returned to their jobs on the railroad, while 385 others had waived their rights to reemployment on the Jersey Central and taken positions in other industries. Still to be accounted for are 1,175 employees. They still are in the armed forces or have not yet reported back for reemployment.

In recognition of these Jersey Central men and women who served so well in the armed forces, a plaque honoring them will be placed on the company property, at a site to be selected by a joint labor-management committee.

In paying homage to these heroes of the battlefronts, we also would like to add our praise for the men and women who remained at home on the Jersey Central to enable their railroad and your railroad to turn in a grand job of delivering the goods to the battlefronts. Praise for their fine work was voiced in letters of commendations from high-ranking government, army and navy officials.

Mr. Shelton Pitney

It is with profound regret that we record the sudden death of Mr. Shelton Pitney, who since January 4, 1940, had served as co-trustee of your company with Mr. Walter P. Gardner, on January 13, 1946, at his home in Morristown, N. J., of a heart attack.

Mr. Pitney, who was 52, was one of New Jersey's leading lawyers and he had a wide knowledge of financial, economic and industrial problems, particularly those relating to the State of New Jersey. The wisdom of his counsel and judgment will be greatly missed by your officers.

A graduate of Princeton University and the Harvard Law School, Mr. Pitney was a son of the late Associate Justice Mahlon Pitney of the Supreme Court of the United States and a grandson of the late Vice Chancellor Henry C. Pitney of New Jersey.

After the unexpected death of Mr. Pitney, the Federal District Court at Newark, N. J., under whose jurisdiction your company is undergoing reorganization, on February 20 named Mr. James D. Carpenter, Jr., another of New Jersey's most prominent lawyers, as counsel for Mr. Gardner. Mr. Carpenter is the senior member of the law firm of Carpenter, Gilmour and Dwyer of Jersey City.

Railroads and Government

In closing we would like to call your attention once again to the inequities foisted on your railroad and all others in the nation by governments at all levels, in apparent complete disregard of the essential part played by the railroads in our national economy, and especially in our national defense.

These inequities are in various forms. One of the most unjust on your particular railroad is the heavy taxation levied in the State of New Jersey, while other forms of transportation escape lightly. In 1945 the tax per mile of railroad in New Jersey was $12\frac{1}{2}$ times the average for all of the 48 states.

Another serious inequity is the continuous subsidizing of rival transportation systems by governments at all levels. These rival systems—trucks, airplanes, water carriers, pipe lines and buses—have been receiving subsidies for years, and government plans call for even larger handouts in the current year and in the years to come. Some of these subsidies are out-in-the-open gifts, while others are hidden, aiding these rival systems in their day-by-day operations.

The recent railroad wage increases, granted in part by government edict, creates another serious problem for all railroads. Your company is glad to see its employees get increases and would like to be in a position to give them even more. However, this is the third increase since before the war, and there have been no offsetting increases in freight rates, except as herein above noted, effective July 1, 1946. We are currently piling up huge deficits month by month as we meet these increased wages. The Interstate Commerce Commission has granted small "emergency" freight rate increases, and it is hoped that further increases will be granted later in the year. These increases temporarily reduce or erase the deficits, but also serve to drive business to our government subsidized competitors, and are not a permanent solution of our difficulties. Yet even this relief is not certain.

The government, moving with divided responsibility and confused policy, did not delay in acting on

the wage increase, but this same divided responsibility makes it impossible to avoid delay in acting on the railroad petitions for a maximum 25% increase in freight rates. In fact, several government agencies, including the Office of Price Administration, are opposing the request for the increase. When the freight rate increases are granted they cannot be made retroactive, and the money lost is just money over the dam for the railroads. Worst of all, government support of competing forms of transportation continues unabated.

All of these inequities are a serious hurdle for railroads as they try to modernize their facilities to be in a position to compete with government-subsidized competitors. It also is a serious setback for the railroad investor, the men and women who supply the capital for a railroad to operate. They justly seek a fair return on their investment, but under the present trend of government thinking many are due for disappointment unless they act to remove these inequities.

We firmly believe that the inequities foisted on the railroads and through them on the investor, many of whom are just average middle class Americans, will remain with us until the investor becomes militant and demands that other forms of transportation be placed on the same footing as the railroads, with subsidies to none. Until America adopts such a policy it will not have and can never hope to have a really sound transportation policy that is fair to all of its citizens, or a sound transportation system that will function effectively in the next war.

Complacency will not remove these unjust inequities. Politicians have respect only for militant groups, as events of the past several years have proven.

The future of your railroad, America's railroads and America itself may very well be in the hands of the investor.

WILLIAM WYER,
Chief Executive Officer.

WALTER P. GARDNER,
Trustee.

GENERAL BALANCE SHEET

ASSETS	December 31, 1945	December 31, 1944 *	Increase	Decrease
<i>Investments:</i>				
Road and Equipment Property.....	\$151,665,258.79	\$152,940,524.32		\$1,275,265.53
Improvements on Leased Property.....	13,679,067.94	13,607,232.11	\$ 71,335.33	
Donations and Grants.....	#2,991,676.99	#2,988,950.30		2,716.69
Investment in Transportation Property.....	\$162,352,649.74	\$163,553,796.13		\$1,205,146.39
Accrued Depreciation—Road.....	#2,613,440.10	#1,848,170.51		765,269.59
Accrued Depreciation—Equipment.....	#33,397,076.39	#32,483,089.75		913,986.64
Accrued Amortization of Defense Projects—Road...	#366,160.24	#154,026.73		212,133.51
Accrued Amortization of Defense Projects— Equipment.....	#6,737,507.92	#3,199,136.18		3,538,371.74
Investment in Transportation Property less recorded Depreciation and Amortization.....	\$119,238,465.09	\$125,874,372.96		\$6,635,907.87
Capital and Other Reserve Funds.....	980,086.42	853,302.07	\$ 125,784.35	
Maintenance Funds.....	1,331,660.16	1,250,000.00	81,660.16	
Miscellaneous Physical Property.....	3,245,053.14	3,178,650.44	65,402.70	
Investments in Affiliated Companies,				
Stocks.....	4,494,151.02	4,494,151.02		
Bonds.....	2,422,000.00	2,431,000.00		9,000.00
Other Secured Obligations.....	40,000.00	40,000.00		
Unsecured Notes.....	665,000.00	700,000.00		35,000.00
Investment Advances.....	6,545,535.82	6,509,253.31	35,282.51	
Other Investments,				
Stocks.....	1,603,046.78	1,603,046.78		
Bonds.....	7,944,483.10	7,573,172.41	371,310.69	
Reserve for Adjustment of Investment in Securities	#1,855,152.00	#1,855,152.00		
Total.....	\$146,654,329.53	\$152,651,795.99		\$5,997,467.46
<i>Current Assets:</i>				
Cash.....	\$ 4,611,870.26	\$ 6,339,699.74		\$ 1,727,829.48
Temporary Cash Investments.....	12,524,840.49	711,233.50	\$11,813,606.99	
Special Deposits.....	163,667.81	209,352.02		45,684.21
Loans and Bills Receivable.....		130.07		130.07
Net Balance Receivable from Agents and Conductors	978,471.07	3,811,762.32		2,833,291.25
Miscellaneous Accounts Receivable.....	5,325,735.59	13,669,010.89		8,343,275.30
Material and Supplies.....	3,842,907.67	4,044,811.92		201,904.25
Interest and Dividends Receivable.....	99,400.59	76,039.76	23,360.83	
Accrued Accounts Receivable.....	1,310,504.04	712,887.89	597,616.15	
Other Current Assets.....	48,164.99	115,267.21		67,102.22
Total.....	\$ 28,905,562.51	\$ 29,690,195.32		\$ 784,632.81
<i>Deferred Assets:</i>				
Working Fund Advances.....	\$ 111,809.42	\$ 131,214.27		\$ 19,404.85
Insurance and Other Funds.....	1,145,093.78	1,067,434.01	\$ 77,659.77	
Other Deferred Assets.....	532,396.87	565,182.45		32,785.58
Total.....	\$ 1,789,300.07	\$ 1,763,830.73	\$ 25,469.34	
<i>Unadjusted Debits:</i>				
Prepayments.....	\$ 56,612.72	\$ 53,982.49	\$ 2,630.23	
Other Unadjusted Debits.....	1,134,237.21	1,124,160.21	10,077.00	
Securities Issued or Assumed—Unpledged.....	1,267,000.00	1,267,000.00		
Total.....	\$ 2,457,849.93	\$ 2,445,142.70	\$ 12,707.23	
Grand Total.....	\$179,807,042.04	\$186,550,965.74		\$ 6,743,923.70

Denotes credit.

Ø In Company's treasury.

* The General Balance Sheet for December 31, 1944, has been reclassified where necessary to conform to the I. C. C. Classification of Accounts in effect at December 31, 1945, for comparative purposes.

(Contingent Asset: On October 29, 1945, the N. J. Supreme Court rendered a decision holding the 1941 New Jersey Railroad Tax Act unconstitutional as applied to assessments for the year 1941. This resulted in your Trustee paying, on behalf of the Debtor's Estate by order of the Bankruptcy Court, on November 15, 1945, an additional amount of \$1,651,318.08 (which includes \$531,527.30 interest) in order to discharge Debtor's tax liability for 1941. This payment was made on the basis that if the Railroad Tax Act should later be held constitutional as to assessments for the year 1941, the Trustees would be entitled to a refund or credit against future taxes of the aforesaid additional amount paid on November 15, 1945.)

GENERAL BALANCE SHEET

LIABILITIES	December 31, 1945	December 31, 1944 *	Increase	Decrease
<i>Stock:</i>				
Capital Stock,				
Common—Authorized \$30,000,000.00				
Not Issued 2,563,200.00				
Outstanding	\$ 27,436,800.00	\$ 27,436,800.00		
<i>Long Term Debt:</i>				
Funded Debt Unmatured:				
Equipment Obligations with Public	\$ 1,218,110.80	\$ 1,859,927.44		\$ 641,816.64
Mortgage Bonds in Co.'s Treasury	1,267,000.00	1,267,000.00		
Mortgage Bonds with Public	48,731,000.00	48,731,000.00		
Total	\$ 51,216,110.80	\$ 51,857,927.44		\$ 641,816.64
<i>Current Liabilities:</i>				
Traffic and Car Service Balances—Credit	\$ 1,674,621.15	\$ 5,209,294.69		\$3,534,673.54
Audited Accounts and Wages Payable	2,840,671.06	3,445,412.12		604,741.06
Miscellaneous Accounts Payable	726,567.00	664,381.09	62,185.91	
Interest Matured Unpaid	2,199.67	3,407.21		1,207.54
Dividends Matured Unpaid	49,324.50	49,324.50		
Accrued Accounts Payable	442,809.92	549,110.46		106,300.54
Taxes Accrued	13,245,114.55	13,697,826.52		452,711.97
Other Current Liabilities	1,298,111.71	1,737,356.39		439,244.68
Total	\$ 20,279,419.56	\$ 25,356,112.98		\$ 5,076,693.42
<i>Deferred Liabilities:</i>				
Interest in default	\$ 16,721,953.75	\$ 14,335,303.75	\$2,386,650.00	
Other Deferred Liabilities	111,356.78	162,232.81		50,876.03
Total	\$ 16,833,310.53	\$ 14,497,536.56	\$ 2,335,773.97	
<i>Unadjusted Credits:</i>				
Insurance Reserves	\$ 1,042,028.41	\$ 964,951.07	\$ 77,077.34	
Maintenance Reserves	1,327,433.41	1,249,472.79	77,960.62	
Other Unadjusted Credits	375,440.29	482,329.87		106,889.58
Accrued Depreciation—Leased Property	296,478.09	181,401.19	115,076.90	
Total	\$ 3,041,380.20	\$ 2,878,154.92	\$ 163,225.28	
<i>Surplus:</i>				
Earned Surplus—Appropriated	\$ 63,482,779.70	\$ 63,676,735.81		\$ 193,956.11
Earned Surplus—Unappropriated ⑧	2,482,758.75	847,698.03		3,330,456.78
Total	\$ 61,000,020.95	\$ 64,524,433.84		\$3,524,412.89
Grand Total	\$179,807,042.04	\$186,550,965.74		\$6,743,923.70

⑧ Denotes debit.

* The General Balance Sheet for December 31, 1944, has been reclassified where necessary to conform to the I. C. C. Classification of Accounts in effect at December 31, 1945, for comparative purposes.

CONTINGENT TAX LIABILITY STATEMENT

(An integral part of the General Balance Sheet)

INCLUDED in the item "Taxes Accrued" is the amount of \$11,136,529.96, being the principal amount of New Jersey state taxes which are shown on the company's books remaining unpaid for the years 1933 to 1940, inclusive. Also included therein is an item of \$695,651.74, representing interest on taxes owing to the State of New Jersey for said years. Thus the total amount of items included in the balance sheet for New Jersey state taxes and interest on the properties of The Central Railroad Co. of New Jersey for the years 1933 to 1940, inclusive, is \$11,832,181.70.

In its original proof of claim No. 38 dated Dec. 10, 1940, filed with the United States District Court for the District of New Jersey in which the reorganization proceedings of the company are pending (Bankruptcy Court), the State of New Jersey claimed for the years 1932 to 1939, inclusive, taxes on the properties of The Central Railroad Co. of New Jersey of \$12,117,450.68 plus interest of \$7,732,339.53 to Dec. 1, 1940 and interest thereafter at the rate of one per cent monthly until the date of payment. This claim was contested by the trustees. The state also claims for the year 1940 taxes of \$1,321,285.27 with monthly interest at one per cent from Dec. 1, 1940. The total principal amounts originally claimed by the state as unpaid for the years 1932 to 1940, inclusive, was thus \$13,438,735.95.

Before any final determination had been made by the New Jersey courts as to the debtor's tax liability for the years 1937, 1938, 1939, and 1940, the New Jersey Legislature enacted Chapter 290 of the laws of New Jersey of 1941 which was amended by Chapter 241 of the laws of 1942, known as the Tax Settlement Acts. Under these acts, the Central, as well as other railroads, was permitted to pay the principal (plus interest at 3 per cent per annum from Dec. 1, 1940) over a period of years (in the Central's case, 20 years), the state waiving any right to the accrued interest penalties. Pursuant to Bankruptcy Court order, the trustees took all necessary steps to comply with the acts and have continued to comply with them.

They tendered to the state treasurer certified checks totalling \$3,577,689.52, such tenders being in excess of the required annual installments under the Tax Settlement Acts for the years 1941, 1942, and 1943, plus 3 per cent interest on the unpaid balances for each of said years. These certified checks are still in the custody of the state treasurer but have not been cashed by him. They are not contained in the trustees' cash balance reported above, and the obligations attempted to be discharged thereby do not appear among the trustees' liabilities.

In 1944 and 1945 the Trustees also tendered to the State Treasurer certified checks in the amounts \$1,015,000 and \$900,000 respectively representing further annual installments pursuant to the Tax Settlement Acts. Said checks were returned to the Trustees by the State Treasurer.

In anticipation of future installments due under the Tax Settlement Acts, the trustees on Jan. 2, 1945, pursuant to Bankruptcy Court order, tendered to the state treasurer two additional certified checks in the amounts of \$1,244,632.25 and \$1,834,552.69. Neither of these checks was cashed, and both were returned to the trustees.

As a result of a civil information suit brought by the attorney general of New Jersey in the New Jersey Courts in 1941, those courts in decisions by the Vice Chancellor in 1943, and by the Court of Errors and Appeals in 1944, declared the Tax Settlement Acts unconstitutional.

In supplemental and amended objections to the state's proof of claim, the trustees are contending that the state courts' decision as to the validity of the Tax Settlement Acts is not

binding on them and that the maximum amount they are required to pay for the years 1932 to 1940, inclusive, on account of the properties of the Jersey Central, is the amount necessary for compliance with the Tax Settlement Acts, to wit, a total amount of \$13,438,669.19, plus interest at 3 per cent to the dates of payment. (This figure differs by \$66.76 from the heretofore stated total claimed by the state because of a minor adjustment in 1937 taxes.) The trustees consider that, by reason of the tenders of the checks which are still in the hands of the state treasurer, as referred to previously, all such interest has been paid to Dec. 1, 1943, and that the maximum principal of taxes remaining unpaid as of Dec. 1, 1943, has been reduced to \$11,006,316.28. Unpaid accrued interest thereon at 3% annually from Dec. 1, 1943, to Dec. 31, 1945, without any credit by reason of other checks tendered to the state treasurer and returned by him to the trustees, amounts to \$687,517.84. The total maximum liability for taxes and interest as of Dec. 31, 1945, is thus believed to be \$11,693,834.12, without taking into account the tenders of checks in 1944 and 1945 which were returned by the state treasurer.

This differs from the total liability set up on the Trustees' books (i.e. \$11,832,181.70) primarily because the book figure includes \$126,042.40 added to the original assessment for 1939 by the Board of Tax Appeals after the Trustees had complied with the Settlement Acts. The Trustees consider this increase was illegal, but in accordance with good accounting practice, it is believed it should be reflected on the books. The remaining difference is accounted for by interest accrued thereon and miscellaneous adjustments.

On Dec. 12, 1944, the state filed a reply to the trustees' supplemental and amended objections, setting up a contingent claim indicating that, under certain circumstances, the taxes claimed due for the years 1932 to 1939, inclusive, would amount to \$14,140,887.53 with interest penalties of \$12,626,173.50 computed to Sept. 1, 1944, making a total of \$26,767,061.03. This figure is based on the contention that certain payments heretofore made on account of principal should have been applied to interest penalties. The State's contention in this respect was partially overruled by a decision of the N. J. Supreme Court rendered on June 11, 1945, holding that payments theretofore made on account of principal had to be prorated between principal and interest. By reason of this decision it is believed that the State's maximum claim as above stated will be reduced to \$25,870,890.72. In computing the above figures, the state does not give credit for the \$3,577,689.52 tendered in compliance with the Settlement Acts in the four certified checks, retained but not cashed by the state treasurer. Neither does the above figure of \$26,767,061.03 include the previously mentioned taxes claimed for 1940, and the interest penalties alleged to have accrued thereon.

The estimated maximum amount, including interest penalties (computed to Dec. 31, 1945) claimed by the state for the years 1932 to 1940, inclusive, is \$30,062,163.67, from which, in order to get a figure comparable with what the trustees believe is owed, should be deducted the checks still held by the state treasurer in the amount of \$3,577,689.52, leaving a balance claimed due of \$26,484,474.15.

The State contends that the Bankruptcy Court had no jurisdiction over the claims of the State of New Jersey for taxes alleged to be due for the years 1932 to 1939, inclusive. On March 5, 1945, the Bankruptcy Court held it had such jurisdiction. The State of New Jersey appealed this decision to the United States Circuit Court of Appeals, Third Circuit. On November 15, 1945, the said Circuit Court of Appeals reversed the decision of the Bankruptcy Court and held that

the only matters left open for the Bankruptcy Court to pass upon were (1) mathematical error in the computation of the amount of the tax, (2) legal error in its assessment. As of December 31, 1945, the Trustees were preparing a petition for reconsideration of the Circuit Court's decision.

None of the previously mentioned figures includes the principal amount of taxes alleged (in State's reply of December 12, 1944, to Trustees' supplemental and amended objections above referred to) to be due from Dover and Rockaway Railroad Company and Ogden Mine Railroad Company. (The agreement leasing these properties to the debtor stipulates that the

debtor shall pay the taxes thereon.) The principal amount of such taxes so alleged by the State to be due amounts in the aggregate to \$27,936.70, with interest claimed by the State to have accrued on said principal taxes to September 1, 1944, amounting to \$19,563.22, and thereafter until paid at the rate of one per cent per month.

Neither do the above figures showing tenders pursuant to Settlement Acts reflect the tenders made by or in behalf of said Dover and Rockaway Railroad Company and Ogden Mine Railroad Company, which tenders cover the principal and interest in full, pursuant to the Tax Settlement Acts.

PROFIT AND LOSS

Credit Balance December 31, 1944.....	\$ 847,698.03	
Miscellaneous Credits.....	525,300.79	
Total Credits.....		\$1,372,998.82
Debit Balance transferred from Income.....	\$3,684,836.94	
Surplus Appropriated for Investment in Physical Property.....	138,980.33	
Miscellaneous Debits.....	31,940.30	
Total Debits.....		\$3,855,757.57
Debit Balance December 31, 1945.....		\$2,482,758.75

LONG TERM DEBT

MORTGAGE BONDS

	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest	
						Due	Charged to Income during the year
Coupon 5% Registered 5%	July 1, 1887 July 1, 1887	July 1, 1987 July 1, 1987	\$17,657,000.00 27,341,000.00	\$ 1,133,000.00 124,000.00	\$16,524,000.00 27,217,000.00	Jan. and July Jan., April July and Oct.	\$ 826,250.00 1,360,800.00
Coupon 4% Registered 4%	Jan. 1, 1928 Jan. 1, 1928	July 1, 1987 July 1, 1987	4,654,000.00 346,000.00	10,000.00	4,644,000.00 346,000.00	Jan. and July Jan., April July and Oct.	185,760.00 13,840.00
Total.....			\$49,998,000.00	\$ 1,267,000.00	\$48,731,000.00		\$ 2,386,650.00

EQUIPMENT OBLIGATIONS

CONDITIONAL PURCHASE CONTRACTS

2 $\frac{3}{8}$ %	June 1, 1942	June 1, 1947	\$ 2,581,088.00		\$ 774,326.96	Monthly	\$ 24,009.12
1 $\frac{3}{4}$ %	May 1, 1944	April 1, 1949	62,800.00		41,866.40	Monthly	
1 $\frac{3}{4}$ %	June 1, 1944	May 1, 1949	125,600.00		85,826.12	Monthly	4,313.54
1 $\frac{3}{4}$ %	Sept. 1, 1944	Aug. 1, 1949	125,600.00		90,012.76	Monthly	
1 $\frac{3}{4}$ %	Aug. 1, 1944	July 1, 1949	251,200.00		180,025.52	Monthly	4,457.42
1 $\frac{3}{4}$ %	Sept. 1, 1944	Aug. 1, 1949	62,800.00		46,053.04	Monthly	
Total.....			\$ 3,209,088.00		\$ 1,218,110.80		\$ 32,780.08
Grand Total Long Term Debt.....			\$53,207,088.00	\$ 1,267,000.00	\$49,949,110.80		\$ 2,419,430.08

INCOME ACCOUNT

	1945	1944	Increase or Decrease	
			Amount	Per Cent
Freight.....	\$44,801,121.72	\$49,564,878.70	\$ * 4,763,756.98	* 10
Passenger.....	7,093,139.51	7,505,467.97	* 412,328.46	* 5
Baggage.....	2,042.69	2,579.96	* 537.27	* 21
Parlor and Chair Car.....	17,251.90	18,161.39	* 909.49	* 5
Mail.....	260,585.18	308,215.28	* 47,630.10	* 15
Express.....	760,238.86	978,598.34	* 218,359.48	* 22
Other Passenger Train.....	40,114.29	49,803.66	* 9,689.37	* 19
Milk.....	5,187.25	4,332.63	854.62	20
Switching.....	56,990.78	43,824.14	13,166.64	30
Water Transfer—Freight.....	6,626.46	2,122.48	4,503.98	212
Water Transfer—Passenger.....	242,205.55	223,627.30	18,578.25	8
Water Transfer—Vehicles and Live Stock.....	238,052.42	256,534.88	* 18,482.46	* 7
Water Transfer—Other.....	8,111.14	5,784.43	2,326.71	40
Dining and Buffet.....	78,020.13	74,203.75	3,816.38	5
Hotel and Restaurant.....	276,506.13	299,588.98	* 23,082.85	* 8
Station and Train Privileges.....	184,534.42	169,479.01	15,055.41	9
Parcel Room.....	9,056.10	8,639.50	416.60	5
Storage—Freight.....	75,045.60	118,268.90	* 43,223.30	* 37
Storage—Baggage.....	738.60	729.80	8.80	1
Demurrage.....	580,986.47	372,188.82	208,797.65	56
Telegraph and Telephone.....	8,312.58	7,786.51	526.07	7
Rents of Buildings and Other Property.....	133,798.04	144,963.86	* 11,165.82	* 8
Miscellaneous.....	653,641.40	622,932.53	30,708.87	5
Joint Facility—Cr.....	17,839.52	16,213.79	1,625.73	10
Joint Facility—Dr.....	3,177.60	2,540.69	* 636.91	* 25
Total Operating Revenues.....	\$55,546,969.14	\$60,796,385.92	* \$5,249,416.78	* 9
MAINTENANCE OF WAY AND STRUCTURES				
ROADWAY AND TRACK				
Roadway Maintenance.....	\$ 390,822.32	\$ 472,998.67	* \$ 82,176.35	* 17
Ties.....	423,923.89	423,923.89	* 100,788.29	* 24
Rails.....	151,122.41	222,141.79	* 71,019.38	* 32
Other Track Material.....	323,462.54	456,389.34	* 132,926.80	* 29
Ballast.....	41,417.67	69,471.00	* 28,053.33	* 40
Track Laying and Surfacing.....	1,364,655.46	1,443,996.19	* 79,330.73	* 5
Fences, Snowsheds and Signs.....	12,355.83	8,579.20	3,786.63	44
Roadway Machines.....	28,329.13	32,386.21	* 4,057.08	* 13
Small Tools and Supplies.....	44,640.10	42,166.88	2,473.22	6
Removing Snow, Ice and Sand.....	357,441.26	192,862.73	164,578.53	85
Total.....	\$3,037,402.32	\$3,364,915.90	* \$ 327,513.58	* 10
BRIDGES AND STRUCTURES				
Tunnels and Subways.....	\$ 12,074.29	\$ 12,003.82	\$ 70.47	1
Bridges, Trestles and Culverts.....	225,126.61	144,356.08	81,770.53	57
Station and Office Buildings.....	316,387.87	357,886.15	* 41,498.28	* 12
Roadway Buildings.....	8,215.07	4,220.08	3,994.99	95
Water Stations.....	46,671.15	45,059.72	1,601.43	4
Fuel Stations.....	26,635.80	31,699.04	* 5,063.24	* 16
Shops.....	110,198.73	129,585.63	* 19,386.90	* 15
Enginehouses.....	105,387.05	133,990.36	* 28,603.31	* 21
Wharves and Docks.....	187,716.54	261,646.04	* 73,929.50	* 28
Coal and Ore Wharves.....	124,845.79	203,068.42	* 78,222.63	* 39
Power Plants.....	14,865.91	23,024.16	* 8,158.25	* 35
Power—Transmission Systems.....	31,610.29	37,326.42	* 5,716.13	* 15
Miscellaneous Structures.....	117.03	115.86	1.17	1
Total.....	\$1,210,852.13	\$1,383,991.78	* \$ 173,139.65	* 13
OTHER				
Superintendence.....	\$ 342,910.18	\$ 398,655.76	* \$ 55,745.58	* 14
Telegraph and Telephone Lines.....	34,258.41	32,268.20	1,990.21	6
Signals and Interlockers.....	562,597.31	536,488.12	26,109.19	5
Public Improvements—Maintenance.....	64,058.35	31,504.78	32,553.57	103
Injuries to Persons.....	22,399.94	14,213.09	8,186.85	58
Insurance.....	38,118.39	56,522.82	* 18,404.43	* 33
Stationery and Printing.....	5,032.55	5,600.51	* 567.86	* 10
Other Expenses.....	2,005.57	#242,848.33	244,853.90	
Total.....	\$ 1,071,380.80	\$ 832,404.95	\$ 238,975.85	29

Denotes credit.

* Denotes decrease.

INCOME ACCOUNT...Continued

	1945	1944	Increase or Decrease	
			Amount	Per Cent
RETIREMENTS, DEPRECIATION AND RESERVES				
Road Property—Depreciation.....	\$ 1,016,599.61	\$ 898,521.66	\$ 118,077.95	13
Retirements—Road.....	1,118,661.40	769,501.22	349,160.18	45
Deferred Maintenance—Way and Structures.....	# 87,751.11	591,902.79	* 679,653.90	
Dismantling Retired Road Property.....	45,855.24	32,731.81	13,123.43	40
Road-Amortization of Defense Projects.....	212,133.51	103,115.43	109,018.08	106
Total.....	\$ 2,305,498.65	\$ 2,395,772.91	* \$ 90,274.26	* 4
JOINT FACILITIES				
Maint. Jt. Trks., Yds., and Other Facil.—Dr.....	\$ 386,774.21	\$ 462,328.59	* \$ 75,554.38	* 16
Maint. Jt. Trks., Yds., and Other Facil.—Cr.....	208,760.88	198,341.08	* 10,419.80	* 5
Total.....	\$ 178,013.33	\$ 263,987.51	* \$ 85,974.18	* 33
Total Maintenance of Way and Structures.....	\$ 7,803,147.23	\$ 8,241,073.05	* \$ 437,925.82	* 5
MAINTENANCE OF EQUIPMENT DIRECT EXPENSES				
Superintendence.....	\$ 245,638.03	\$ 274,782.09	* \$ 29,144.06	* 11
Shop Machinery.....	115,205.91	137,334.55	* 22,128.64	* 16
Power-Plant Machinery.....	139,321.30	178,334.39	* 39,013.09	* 22
Steam Locomotives—Repairs, Classified.....	1,028,985.59	1,256,724.74	* 227,739.15	* 18
Steam Locomotives—Repairs, Running.....	2,156,431.83	2,591,561.41	* 435,129.58	* 17
Steam Locomotives—Repairs, Total.....	3,185,417.42	3,848,286.15	* 662,868.73	* 17
Other Locomotives—Repairs.....	142,081.80	119,978.08	22,103.72	18
Freight-Train Cars—Repairs.....	2,194,939.70	2,188,532.57	6,407.13	—
Passenger-Train Cars—Repairs.....	749,492.51	829,155.70	* 79,663.19	* 10
Floating Equipment—Repairs.....	629,568.18	756,724.88	* 127,156.70	* 17
Work Equipment—Repairs.....	101,573.67	114,836.91	* 13,263.24	* 12
Miscellaneous Equipment—Repairs.....	6,219.06	4,403.08	1,815.98	41
Injuries to Persons.....	103,469.34	74,962.62	28,506.72	38
Insurance.....	58,546.47	75,980.52	* 17,434.05	* 23
Stationery and Printing.....	10,292.47	8,836.18	1,456.29	16
Other Expenses.....	827.18	# 476,867.75	477,694.93	
Total.....	\$ 7,682,593.04	\$ 8,135,279.97	* \$ 452,686.93	* 6
RETIREMENTS, DEPRECIATION AND RESERVES				
Shop and Power-Plant Machinery—Depreciation.....	\$ 79,852.24	\$ 79,787.92	\$ 64.32	—
Dismantling Retired Shop and Power Plant Machinery.....	160.35	212.01	* 51.66	* 24
Dismantling Retired Equipment.....	3,000.64	1,596.22	1,404.42	88
Extraordinary Retirements—Equipment.....	143.86	#1,286.26	1,430.12	
Equipment—Depreciation.....	1,379,989.55	1,373,998.53	5,991.02	—
Equipment—Amortization of Defense Projects.....	3,538,677.88	1,389,749.46	2,148,928.42	155
Deferred Maintenance—Equipment.....	165,711.73	67,250.00	98,461.73	146
Total.....	\$ 5,167,536.25	\$ 2,911,307.88	\$ 2,256,228.37	77
JOINT FACILITIES				
Joint Maintenance of Equipment Expenses—Dr.....	\$ 5,435.50	\$ 4,575.78	\$ 859.72	19
Joint Maintenance of Equipment Expenses—Cr.....	81,757.37	77,996.30	* 3,761.07	* 5
Total.....	\$ #76,321.87	\$ #73,420.52	* \$ 2,901.35	* 4
Total Maintenance of Equipment.....	\$ 12,773,807.42	\$ 10,973,167.33	\$ 1,800,640.09	16
TRAFFIC				
Superintendence.....	\$ 315,964.52	\$ 314,982.62	\$ 981.90	—
Outside Agencies.....	278,562.09	279,069.93	* 507.84	—
Advertising.....	58,925.44	31,005.79	27,918.65	90
Traffic Associations.....	28,620.15	23,103.93	5,511.22	24
Insurance.....	282.32	322.34	* 40.02	* 12
Stationery and Printing.....	31,119.23	33,455.13	* 2,335.90	* 7
Other Expenses.....	#3,454.54	#29,697.98	26,243.44	88
Total Traffic.....	\$ 710,019.21	\$ 652,247.76	\$ 57,771.45	9
TRANSPORTATION SUPERVISING TRANSPORTATION				
Superintendence.....	\$ 304,568.32	\$ 421,019.29	* \$ 116,450.97	* 23
Dispatching Trains.....	153,438.08	163,370.15	* 9,932.07	* 6
Total.....	\$ 458,006.40	\$ 584,389.44	* \$ 126,383.04	* 22

Denotes credit.

* Denotes decrease.

INCOME ACCOUNT...Continued

	1945	1944	Increase or Decrease	
			Amount	Per Cent
STATION SERVICE				
Station Employees	\$ 3,002,074.64	\$ 3,306,786.47	* \$ 304,711.83	* 9
Weighing, Inspection and Demurrage Bureaus	21,848.95	21,750.04	98.91	—
Coal and Ore Wharves	362,767.02	427,112.87	* 64,345.85	* 15
Station Supplies and Expenses	397,317.48	403,837.74	* 6,520.26	* 2
Total	\$ 3,784,008.09	\$ 4,159,487.12	* \$ 375,479.03	* 9
YARD SERVICE				
Yardmasters and Yard Clerks	\$ 694,519.83	\$ 791,533.41	* \$ 97,013.58	* 12
Yard Conductors and Brakemen—Freight	1,927,856.41	1,980,390.82	* 52,534.41	* 3
Yard Conductors and Brakemen—Passenger	149,936.21	160,782.60	* 10,846.39	* 7
Yard Conductors and Brakemen—Adjustments	97,350.16	54,663.20	42,686.96	78
Yard Conductors and Brakemen—Total	2,175,142.78	2,195,836.62	* 20,693.84	* 1
Yard Switch and Signal Tenders	105,901.12	104,291.08	1,610.04	2
Yard Enginemen—Freight	788,568.25	881,544.61	* 92,976.36	* 11
Yard Enginemen—Passenger	54,876.71	76,683.60	* 21,806.89	* 28
Yard Enginemen—Adjustments	3,669.67	422.00	3,247.67	770
Yard Enginemen—Total	847,114.63	958,650.21	* 111,535.58	* 12
Yard Motormen—Freight	458,144.01	398,559.12	59,584.89	15
Yard Motormen—Passenger	38,992.94	22,826.82	16,166.12	71
Yard Motormen—Adjustments	—	—	—	—
Yard Motormen—Total	497,136.95	421,385.94	75,751.01	18
Yard Switching Fuel	650,498.64	611,811.40	38,687.24	6
Water for Yard Locomotives	37,000.11	36,576.86	423.25	1
Lubricants for Yard Locomotives	18,466.75	21,033.16	* 2,566.41	* 12
Other Supplies for Yard Locomotives	6,621.63	6,168.30	453.33	7
Enginehouse Expenses—Yard	209,708.46	243,409.04	* 33,700.58	* 14
Yard Supplies and Expenses	48,717.34	42,444.65	6,272.69	15
Oper. Jt. Yards and Terminals—Dr.	66,586.36	72,866.91	* 6,280.55	* 9
Oper. Jt. Yards and Terminals—Cr.	621,431.45	608,164.33	* 13,267.12	* 2
Total	\$ 4,735,983.15	\$ 4,897,843.25	* \$ 161,860.10	* 3
ROAD ENGINE SERVICE				
Train Enginemen—Freight	\$ 1,306,559.28	\$ 1,730,518.23	* \$ 423,958.95	* 24
Train Enginemen—Passenger	743,528.99	799,182.67	* 55,653.68	* 7
Train Enginemen—Adjustments	3,409.91	28,600.88	* 25,190.97	* 88
Train Enginemen—Total	2,053,498.18	2,558,301.78	* 504,803.60	* 20
Train Motormen—Freight	761.42	771.53	* 10.11	* 1
Train Motormen—Passenger	6,603.89	6,248.03	355.86	6
Train Motormen—Adjustments	—	—	—	—
Train Motormen—Total	7,365.31	7,019.56	345.75	5
Train Fuel—Freight	2,278,375.57	2,783,867.21	* 505,491.64	* 18
Train Fuel—Passenger	1,228,754.54	1,221,978.89	6,775.65	1
Train Fuel—Total	3,507,130.11	4,005,846.10	* 498,715.99	* 12
Water for Train Locomotives	216,128.49	234,174.27	* 18,045.78	* 8
Lubricants for Train Locomotives	69,755.02	75,994.41	* 6,239.39	* 8
Other Supplies for Train Locomotives	39,571.15	39,602.57	* 31.42	—
Enginehouse Expenses—Train	923,431.91	1,025,166.64	* 101,734.73	* 10
Total	\$ 6,816,880.17	\$ 7,946,105.33	* \$ 1,129,225.16	* 14
TRAIN SERVICE				
Trainmen—Freight	\$ 1,255,144.10	\$ 1,710,908.70	* \$ 455,764.60	* 27
Trainmen—Passenger	1,039,812.45	1,061,479.61	* 21,667.16	* 2
Trainmen—Adjustments	193,352.81	150,398.00	42,954.81	29
Trainmen—Total	2,488,309.36	2,922,786.31	* 434,476.95	* 15
Train Supplies and Expenses—Ashley Planes	347,429.40	404,781.45	* 57,352.05	* 14
Train Supplies and Expenses—Other	935,557.96	976,048.38	* 40,490.42	* 4
Train Supplies and Expenses—Total	1,282,987.36	1,380,829.83	* 97,842.47	* 7
Total	\$ 3,771,296.72	\$ 4,303,616.14	* \$ 532,319.42	* 12
CASUALTIES				
Clearing Wrecks	\$ 30,408.42	\$ 36,045.11	* \$ 5,636.69	* 16
Damage to Property	20,796.76	57,486.41	* 36,689.65	* 64
Damage to Live Stock on Right of Way	90.54	27.62	62.92	228
Loss and Damage—Freight	231,301.31	148,995.11	82,306.20	55
Loss and Damage—Baggage	293.89	595.02	* 301.13	* 51
Injuries to Persons	339,823.95	408,378.50	* 68,554.55	* 17
Total	\$ 622,714.87	\$ 651,527.77	* \$ 28,812.90	* 4

Denotes credit.

* Denotes decrease.

INCOME ACCOUNT...Continued

	1945	1944	Increase or Decrease	
			Amount	Per Cent
MISCELLANEOUS				
Signal and Interlocker Operation.....	\$ 527,997.79	\$ 565,995.52	*\$ 37,997.73	* 7
Crossing Protection.....	365,639.51	387,324.16	* 21,684.65	* 6
Drawbridge Operation.....	56,344.20	83,845.45	* 27,501.25	* 33
Telegraph and Telephone Operation.....	91,992.29	98,583.49	* 6,591.20	* 7
Operating Floating Equipment.....	1,808,994.60	1,844,151.50	* 35,156.90	* 2
Stationery and Printing.....	73,519.97	70,649.94	2,870.03	4
Other Expenses.....	# 623,970.11	# 1,187,596.37	563,626.26	47
Oper'g Joint Tracks and Facilities—Dr.....	415,534.92	473,660.00	* 58,125.08	* 12
Oper'g Joint Tracks and Facilities—Cr.....	66,975.64	60,704.37	* 6,271.27	* 10
Insurance.....	156,841.39	132,839.61	24,001.78	18
Total.....	\$ 2,805,918.92	\$ 2,408,748.93	\$ 397,169.99	16
Total Transportation.....	\$22,994,808.32	\$24,951,717.98	*\$1,956,909.66	* 8
MISCELLANEOUS OPERATIONS				
Dining and Buffet Service.....	\$ 83,433.75	\$ 100,787.91	*\$ 17,354.16	* 17
Hotels and Restaurants.....	239,985.65	246,716.27	* 6,730.62	* 3
Total Miscellaneous Operations.....	\$ 323,419.40	\$ 347,504.18	*\$ 24,084.78	* 7
GENERAL				
Salaries and Expenses of General Officers.....	\$ 210,256.15	\$ 196,303.68	\$ 13,952.47	7
Salaries and Expenses of Clerks and Attendants.....	1,091,785.51	1,038,675.67	53,109.84	5
General Office Supplies and Expenses.....	75,189.80	80,458.32	* 5,268.52	* 7
Law Expenses.....	284,237.49	226,580.35	57,657.14	25
Insurance.....	513.14	653.24	* 140.10	* 21
Pensions.....	40,364.63	52,586.61	* 12,221.98	* 23
Stationery and Printing.....	53,938.22	41,192.44	12,745.78	31
Valuation Expenses.....	533.88	1,775.93	* 1,242.05	* 70
Other Expenses.....	71,383.36	9,974.48	61,408.88	616
General Joint Facilities—Dr.....	16,831.96	20,042.33	* 3,210.37	* 16
General Joint Facilities—Cr.....	1,129.24	1,103.68	* 25.56	* 2
Total General.....	\$ 1,843,904.90	\$ 1,667,139.37	\$ 176,765.53	11
Total Operating Expenses.....	\$46,449,106.48	\$46,832,849.67	*\$ 383,743.19	* 1
Net Revenue from Railway Operations.....	\$ 9,097,862.66	\$13,963,536.25	*\$4,865,673.59	* 35
Railway Tax Accruals:				
New Jersey Property.....	\$ 4,399,787.37	\$ 2,402,040.51	\$1,997,746.86	83
New Jersey Franchise.....	860,679.30	1,006,709.70	* 146,030.40	* 15
Federal Income.....	# 780,693.25	734,521.82	* 1,515,215.07	* 15
Pay Rolls.....	1,703,544.26	1,775,205.03	* 71,660.77	* 4
Other.....	124,555.23	108,773.57	15,781.66	15
Total Taxes.....	\$ 6,307,872.91	\$ 6,027,250.63	\$ 280,622.28	5
Hire of Equipment—Cr.				
Freight Cars.....	\$ 4,084,029.70	\$ 3,599,051.52	\$ 484,978.18	13
Locomotives.....	90,888.04	61,374.72	29,513.32	48
Passenger-Train Cars.....	292,259.78	263,714.46	28,545.32	11
Floating Equipment.....	26,780.46	8,849.82	17,930.64	203
Work Equipment.....	12,483.81	15,222.80	* 2,738.99	* 18
Total.....	4,506,441.79	3,948,213.32	558,228.47	14
Hire of Equipment—Dr.				
Freight Cars.....	\$ 6,185,950.67	\$ 6,556,131.41	*\$ 370,180.74	* 6
Locomotives.....	58,449.77	68,873.21	* 10,423.44	* 15
Passenger-Train Cars.....	185,720.93	224,237.68	* 38,516.75	* 17
Floating Equipment.....	222,703.96	205,470.61	17,233.35	8
Work Equipment.....	2,201.61	3,245.61	* 1,044.00	* 32
Total.....	6,655,026.94	7,057,958.52	* 402,931.58	* 6
Hire of Equipment—Net.....	\$ † 2,148,585.15	\$ † 3,109,745.20	\$ 961,160.05	31
Joint Facility Rent Income.....	\$ 357,301.18	\$ 321,005.75	\$ 36,295.43	11
Joint Facility Rents.....	853,356.82	651,054.24	202,302.58	31
Joint Facility Rents—Net.....	\$ † 496,055.64	\$ † 330,048.49	*\$ 166,007.15	* 26
Net Railway Operating Income.....	\$ 145,348.96	\$ 4,496,491.93	*\$4,351,142.97	* 97

Denotes credit.

Ø Denotes deficit.

† Denotes debit.

* Denotes decrease.

INCOME ACCOUNT...Continued

	1945	1944	Increase or Decrease	
			Amount	Per Cent
NON-OPERATING INCOME				
Income from Lease of Road and Equipment	\$ 131,408.16	\$ 84,767.09	\$ 46,641.07	55
Miscellaneous Rent Income	246,189.47	259,696.54	* 13,507.07	* 5
Miscellaneous Nonoper'g Phys. Property	89,042.92	85,442.48	3,600.44	4
Separately Operated Properties—Profit	4,553.38	4,495.59	57.79	1
Dividend Income	286,811.00	302,052.00	* 15,241.00	* 5
Income from Funded Securities	233,029.29	250,752.56	* 17,723.27	* 7
Income from Unfunded Sec. and Accounts	67,377.48	41,342.82	26,034.66	63
Income from Sinking & Other Res. Funds	35,715.22	27,010.38	8,704.84	32
Miscellaneous Income	42,703.43	296.45	42,406.98	
Total Income	\$ 1,282,179.31	\$ 5,552,347.84	*\$4,270,168.53	* 77
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous Rents	\$ 4,595.09	\$ 4,641.84	* 46.75	* 1
Miscellaneous Tax Accruals	119,072.70	127,384.46	* 8,311.76	* 7
Maintenance of Investment Organization	225.00	225.00	—	—
Miscellaneous Income Charges	73,023.25	49,611.98	23,411.27	47
Total	\$ 196,916.04	\$ 181,863.28	\$ 15,052.76	8
Available for Fixed Charges	\$ 1,085,263.27	\$ 5,370,484.56	*\$4,285,221.29	* 80
FIXED CHARGES				
Rent for Leased Roads & Equipment	\$ 2,346,631.19	\$ 2,376,453.65	*\$ 29,822.46	* 1
Interest on Funded Debt				
Interest on General Mortgage Bonds	2,386,650.00	2,386,650.00	—	—
Interest on Equipment Trust Bonds	—	—	—	—
Interest on Cond'l Purchase Agreements	32,780.08	41,627.98	* 8,847.90	* 21
Interest on Unfunded Debt	4,038.94	347,821.27	* 343,782.33	* 99
Total Fixed Charges	\$ 4,770,100.21	\$ 5,152,552.90	* 382,452.69	* 7
Net Income	\$ Ø3,684,836.94	\$ 217,931.66	*\$3,902,768.60	
# Denotes credit. Ø Denotes deficit. † Denotes debit. * Denotes decrease.				

Denotes credit.

Ø Denotes deficit.

† Denotes debit.

* Denotes decrease.

SECURITIES

BONDS	Date of Maturity	Total Amount of Issue as of December 31, 1945	Owned by Company	
			Par Value	Book Value
<i>Affiliated Companies</i>				
Allentown Terminal R. R. Co., 4½% First Mortgage Gold Bonds.....	1954	\$ 450,000.00	\$ 205,000.00	\$ 205,000.00
Dover and Rockaway R. R. Co., 6% First Mortgage Bonds..	Demand*	35,000.00	H 35,000.00	35,000.00
New York and Long Branch R. R. Co., 4% Cons. Mtge. Gold Bonds, Series "B".....	1981	2,842,000.00	1,421,000.00	1,421,000.00
New York and Long Branch R. R. Co., 5% Cons. Mtge. Gold Bonds, Series "A".....	1979	538,000.00	269,000.00	269,000.00
Newark Warehouse Company, 6% Gold Bond	Demand*	1,100,000.00	1,100,000.00	500,000.00
Total.....		x x x x	\$3,030,000.00	\$2,430,000.00
*Past Due.				
OTHER INVESTMENTS				
New York City Bonds, 4%.....	1959		\$ 50.00	\$ 49.50
New York City Bonds, 3%.....	1980		A 71,000.00	72,343.75
New York City Bonds, 4½%.....	1957		A 3,000.00	3,000.00
New York City Bonds, 4%.....	1956		A 300.00	297.00
New York City Bonds, 4¼%.....	1964		B 10,700.00	10,987.50
U. S. Government Treasury Notes, 1½%, Series "A".....	1948		3,835,000.00	3,873,730.47
U. S. Government Treasury Notes, 1¼%, Series "C".....	1947		G 837,000.00	837,000.00
U. S. Government Treasury Notes, 1½%, Series "A".....	1948		E 165,000.00	166,660.16
U. S. Government Treasury Notes, 0.90%, Series "C".....	1946		F 4,000,000.00	4,001,319.68
U. S. Government Treasury Bonds, 2%.....	1949-51		E 10,000.00	10,000.00
U. S. Government Treasury Bonds, 2½%.....	1962-67		E 800,000.00	800,000.00
U. S. Government Treasury Bonds, 2%.....	1948-50		E 5,000.00	5,000.00
U. S. Government Treasury Bonds, 1¾%.....	1948		4,000,000.00	4,070,703.13
U. S. Government Treasury Bonds, 3½%.....	1946-49		C 5,000.00	5,209.69
U. S. Government Treasury Bonds, 2½%.....	1967-72		C 10,000.00	10,000.00
U. S. Government Savings Bonds, 2½%, Series "G".....	1953		E 50,000.00	50,000.00
U. S. Government Savings Bonds, 2½%, Series "G".....	1954		E 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G".....	1955		E 100,000.00	100,000.00
U. S. Government Savings Bonds, 2½%, Series "G".....	1956		E 100,000.00	100,000.00
U. S. Government Certificate of Indebtedness, ⅞%, Series "K".....	1946		G 129,000.00	129,000.00
U. S. Government Certificate of Indebtedness, ⅞%, Series "A".....	1946		F 3,500,000.00	3,500,945.81
U. S. Government Certificate of Indebtedness, ⅞%, Series "E".....	1946		F 5,000,000.00	5,000,000.00
Total.....		x x x x	\$22,731,050.00	\$22,846,246.69
Grand Total.....		x x x x	\$25,761,050.00	\$25,276,246.69
Cash on deposit with New York State Insurance Fund.....			D\$ 1,227.43	\$ 1,227.43
Cash on deposit First Nat'l Bank of New York.....			G 6,086.42	6,086.42

A Deposited with the City of New York under agreements	\$74,300.00	Included in account "Insurance and Other Funds"
B Deposited with the State of New York (State Industrial Commission)	10,000.00	
B Deposited with the City of New York under agreements	700.00	
C Deposited with the Federal Reserve Bank of New York under agreements with U. S. Employees Compensation Commission	10,000.00	
C Deposited with the State of New York (State Industrial Commission)	5,000.00	
D Deposits on annual premium for New York Workmen's Compensation policy ..	1,227.43	Included in account "Maintenance Funds."
E Deposited with Company's Treasurer until disbursed in settlement of charges incurred for deferred maintenance	1,330,000.00	
F Temporary cash investment	12,500,000.00	Included in account "Temporary Cash Investments."
G Deposits in lieu of mortgage property sold	972,086.42	Included in account "Capital and other Reserve Funds."
H Deposited with Hudson Trust Co., Hoboken, N. J., Trustee under the Dover and Rockaway R. R. Mortgage	8,000.00	Included in account "Capital and other Reserve Funds."

SECURITIES...Continued

	Date of Maturity	Total Amount of Issue as of December 31, 1945	Owned by Company	
			Par Value	Book Value
BONDS				
C. R. R. Co. of N. J., 4% General Mortgage Gold Bonds.	1987	\$5,000,000.00	\$ 10,000.00	\$ 10,000.00
C. R. R. Co. of N. J., 5% General Mortgage Gold Bonds.	1987	44,998,000.00	1,257,000.00	1,257,000.00
			\$1,267,000.00	\$1,267,000.00
NOTES AND MORTGAGES				
Edroyal Corporation, 1½%.....	On demand	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Edroyal Corporation, 1½%.....	On demand	415,000.00	415,000.00	415,000.00
Penn Haven Realty Company, 4%.....	When called	40,000.00	40,000.00	40,000.00
Total Affiliated Companies.....			\$ 705,000.00	\$ 705,000.00

STOCKS	Total Amount of Issue as of December 31, 1945	Owned by Company	
		Par Value	Book Value
<i>Affiliated Companies</i>			
Allentown Terminal R. R. Co.....	\$ 450,000.00	A \$ 225,000.00	\$ 225,000.00
American Dock and Improvement Co.....	30,000.00	B 30,000.00	1,000.00
Bay Shore Connecting R. R. Co.....	55,800.00	27,900.00	27,900.00
Central Railroad Co. of Pennsylvania...F	50,000.00	D 50,000.00	50,000.00
Communipaw Central Land Co.....	2,000.00	2,000.00	2,000.00
Dover and Rockaway R. R. Co.....	150,000.00	C 75,000.00	79,000.00
Elizabethport and New York Ferry Co.....	1,455.00	1,455.00	1,455.00
Edroyal Corporation.....	750,000.00	750,000.00	750,000.00
Hunter Run Water Co.....	5,000.00	5,000.00	3,196.02
Jersey Central Transportation Co.....	20,000.00	20,000.00	20,000.00
Mount Hope Mineral R. R. Co.....	160,000.00	109,300.00	†
New York and Long Branch R. R. Co.....	4,000,000.00	E 2,000,000.00	2,000,000.00
Newark Warehouse Co.....	10,000.00	10,000.00	1,000.00
Ogden Mine R. R. Co.....	450,000.00	450,000.00	67,500.00
Penn Haven Realty Co.....	15,000.00	15,000.00	15,000.00
Railway Express Agency, Inc.....		*	1,100.00
Wharton and Northern R. R. Co.....	500,000.00	500,000.00	x 1,250,000.00
Total.....	x x x x	\$4,270,655.00	\$4,494,151.02
<i>Other Investments</i>			
Lehigh and Hudson River Ry. Co.....	\$4,707,000.00	\$ 787,000.00	\$ 748,287.20
Mahoning Coal R. R. Co.....		1,500.00	15,150.00
Raritan River R. R. Co.....	1,000,000.00	495,300.00	839,609.58
Total.....	x x x x	\$1,283,800.00	\$1,603,046.78
Grand Total.....	x x x x	\$5,554,455.00	\$6,097,197.80

* Without nominal or par value.

† Included in amount shown as book value of Wharton and Northern R. R. Co.

x Includes book value of Mount Hope Mineral R. R. Co.

A Pledged under General Mortgage.....\$ 225,000.00

B Pledged under General Mortgage.....30,000.00

C Pledged under General Mortgage.....45,000.00

D Pledged under General Mortgage.....50,000.00

E Pledged under General Mortgage.....2,000,000.00

\$2,350,000.00

F Name changed from Easton & Western R. R., Feb. 29th, 1944

SECURITIES . . . Continued
INSURANCE RESERVE FUND

Cash on Hand, December 31, 1944.....			\$ 10,066.76
RECEIPTS			
Contributions to Fund.....		\$ 90,000.00	
Sale of Securities.....		959,920.79	1,049,920.79
			\$1,059,987.55
DISBURSEMENTS			
Fire and Marine Losses.....		\$ 17,959.14	
Purchase of Securities.....		1,033,000.00	1,050,959.14
Cash on Hand, December 31, 1945.....			\$ 9,028.41
ASSETS		LIABILITIES	
Cash.....	\$ 9,028.41	Balance of Reserve, Dec. 31, 1945.....	\$1,042,028.41
Securities.....	1,033,000.00	Claims unpaid.....	—
Total.....	\$1,042,028.41	Total.....	\$1,042,028.41
SECURITIES			
	Date of Maturity	Par Value	Book Value
U. S. Government Treasury Bonds, 2 $\frac{1}{4}$ %.....	1959-62	\$ 400,000.00	\$ 400,000.00
U. S. Government Treasury Bonds, 2 $\frac{1}{4}$ %.....	1959-62	15,000.00	15,000.00
U. S. Government Treasury Bonds, 2 $\frac{1}{2}$ %.....	1967-72	593,000.00	593,000.00
U. S. Government Treasury Bonds, 2 $\frac{1}{2}$ %.....	1967-72	25,000.00	25,000.00
Total Securities.....		\$1,033,000.00	\$1,033,000.00

TRANSPORTATION STATISTICS

LOCOMOTIVE, TRAIN, CAR AND TON MILEAGE

	1945	1944	Increase or Decrease	
			Amount	Per Cent
TRAIN MILES				
Freight.....	2,422,965	2,859,520	* 436,555	* 15
Passenger.....	2,975,706	3,301,491	* 325,785	* 10
Total Revenue Service.....	5,398,671	6,161,011	* 762,340	* 12
Work.....	141,571	155,895	* 14,324	* 9
Total Train Miles.....	5,540,242	6,316,906	* 776,664	* 12
LOCOMOTIVE MILES				
Freight-Principal, Helper and Light.....	3,412,207	4,107,218	* 695,011	* 17
Passenger-Principal, Helper and Light.....	3,187,630	3,495,113	* 307,483	* 9
Yard Switching, Steam.....	1,972,153	2,364,084	* 391,931	* 17
Yard Switching, Diesel.....	1,348,987	1,134,894	214,093	19
Yard Switching, Total.....	3,321,140	3,498,978	* 177,838	* 5
Train Switching.....	941,602	1,262,018	* 320,416	* 25
Work.....	211,817	216,879	* 5,062	* 2
Total Locomotive Miles.....	11,074,396	12,580,206	* 1,505,810	* 12
CAR MILES				
Freight, Loaded.....	89,754,116	103,714,501	* 13,960,385	* 13
Freight, Empty.....	48,588,481	66,256,343	* 17,667,862	* 27
Freight, Caboose.....	2,407,535	2,780,802	* 373,267	* 13
Total Freight.....	140,750,132	172,751,646	* 32,001,514	* 19
Passenger.....	18,369,864	19,744,059	* 1,374,195	* 7
Total Revenue Service.....	159,119,996	192,495,705	* 33,375,709	* 17
Work.....	74,493	52,213	22,280	43
Total Car Miles.....	159,194,489	192,547,918	* 33,353,429	* 17
TON MILES (Thousands)				
Gross Ton Miles, Freight.....	6,476,591	7,680,166	* 1,203,575	* 16
Net Ton Miles, Freight.....	3,304,665	3,826,573	* 521,908	* 14

OPERATING PERFORMANCE

MAINTENANCE:				
Cost of Maintenance of Way (Track Accounts Only) per Equivalent Track Mile.....	\$ 1,835.37	\$ 2,006.93	\$* 171.56	* 9
Percent of Total Locomotives out of Service for Repairs.....	18.1	13.6	4.5	33
Percent of Total Passenger Cars out of Service for Repairs.....	8.51	6.90	1.61	23
Percent of Total Freight Cars out of Service for Repairs.....	7.61	4.32	3.29	76
Cost of Locomotive Repairs per Locomotive Mile, Classified.....	\$.109	\$.112	\$* .003	* 3
Cost of Locomotive Repairs per Locomotive Mile, Running.....	\$.227	\$.212	\$.015	7
Cost of Locomotive Repairs per Locomotive Mile, Total.....	\$.336	\$.324	\$.012	4
STATIONS:				
Cost per Ton of Freight Handled—Elizabethport Transfer.....	\$ 1.03	\$.96	\$.07	7
Cost per Ton of Freight Handled—Lighterage.....	\$.618	\$.561	\$.057	10
FREIGHT TRAINS:				
Average Net Train Load.....	1,406	1,346	60	4
Average Gross Train Load.....	2,756	2,702	54	2
Average Train Speed.....	11.7	11.6	.1	1
Gross Ton Miles per Train Hour.....	31,310	31,265	45	—
Pounds of Coal per 1,000 Gross Ton Miles.....	135	146	* 11	* 8
Cost of Fuel per 1,000 Gross Ton Miles.....	\$.342	\$.355	\$* .013	* 4
Cost of Wages per 1,000 Gross Ton Miles.....	\$.396	\$.448	\$* .052	* 12
PASSENGER TRAINS:				
Average Cars per Train.....	6.16	5.97	.19	3
Cost of Fuel and Wages per Train Mile.....	\$ 1.01	\$.94	\$.07	7

* Denotes decrease.

TRANSPORTATION STATISTICS . . . Continued

OPERATING PERFORMANCE—Continued

	1945	1944	Increase or Decrease	
			Amount	Per Cent
FREIGHT CARS:				
Net Tons per Loaded Car	36.8	36.9	*	.1
Percent Net to Gross	51.0	49.8		1.2
Percent Loaded to Total Car Mile	64.9	61.0		3.9
Car Miles per Car Day (of Cars in Service)	21.3	21.1		.2
Net Ton Miles per Car Day (of Cars in Service)	480	463		17
LOCOMOTIVES:				
Pounds of Coal per Locomotive Mile, Freight	201	209	*	8
Pounds of Coal per Locomotive Mile, Passenger	151	140		11
Pounds of Coal per Locomotive Mile, Yard	108	96		12
Locomotive Miles per Train Mile, Freight	1.41	1.44	*	.03
Locomotive Miles per Train Mile, Passenger	1.07	1.06		.01
ENGINE HOUSE:				
Cost per Engine Handled	\$ 7.03	\$ 6.64	\$.39	6

REVENUE TRAFFIC STATISTICS

PASSENGER:				
Passengers	23,838,651	25,272,527	* 1,433,876	* 6
Passengers One Mile	455,065,186	479,983,430	* 24,918,244	* 5
Revenue per Passenger	\$.30	\$.30		
Revenue per Passenger Mile	\$.016	\$.016		
Average Haul per Passenger	19.1	19.0	.1	1
FREIGHT:				
Tons	44,101,503	49,565,957	* 5,464,454	* 11
Tons One Mile	3,348,498,627	3,882,519,487	* 534,020,860	* 14
Average Revenue per Ton	\$ 1.02	\$ 1.00	\$.02	2
Average Revenue per Ton Mile	\$.013	\$.013		
Average Haul per Ton	75.9	78.3	* 2.4	* 3

* Denotes decrease.

CARLOAD REVENUE FREIGHT TRAFFIC

COMMODITY	1945			1944		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
PRODUCTS OF AGRICULTURE						
Wheat.....	1,871	94,254	99,318	1,728	88,141	85,981
Corn.....	1,686	81,768	100,670	1,073	50,275	64,620
Oats.....	1,254	48,834	63,118	950	36,585	44,848
Barley and rye.....	404	15,575	12,903	332	13,714	11,677
Rice.....	307	13,054	11,212	159	6,966	4,778
Grain, N. O. S.*	26	690	561	48	1,865	3,702
Flour, wheat.....	5,579	208,671	148,681	4,541	165,285	117,107
Meal, corn.....	183	6,146	5,842	142	4,699	5,522
Flour and meal edible, N. O. S.....	1,877	64,350	41,024	1,770	61,813	45,322
Cereal food preparations, edible, N. O. S.....	950	21,219	17,653	877	23,528	23,683
Mill products, N. O. S.....	2,902	96,065	87,620	3,968	125,516	142,884
Hay and alfalfa.....	1,944	31,613	34,317	3,429	54,092	56,610
Straw.....	253	3,581	5,878	200	3,369	5,114
Tobacco, leaf.....	1,432	29,021	21,124	996	23,135	21,559
Cotton in bales.....	1,502	37,889	31,106	1,190	29,181	22,388
Cotton linters, noils, and regins.....	1,684	37,089	36,032	947	20,645	24,145
Cottonseed.....	126	232	155	3	63	37
Cottonseed meal and cake.....	1,849	44,995	26,410	1,717	3,751	5,966
Oranges and grapefruit.....	238	6,708	3,947	147	63,999	38,505
Lemons, limes, and citrus fruits, N. O. S.....	318	6,111	5,658	310	3,472	2,219
Apples, fresh.....	1,086	12,831	12,501	240	9,714	11,554
Bananas.....	73	1,572	2,839	62	3,142	3,438
Berries, fresh.....	341	4,494	4,117	263	1,427	3,009
Cantaloupes and melons, N. O. S.....	178	3,218	1,426	166	3,259	2,801
Grapes, fresh.....	1,002	11,250	8,439	509	3,054	2,316
Peaches, fresh.....	721	10,256	6,483	490	5,820	4,893
Watermelons.....	333	6,317	6,871	336	6,638	4,040
Fruits, fresh, domestic, N. O. S.....	18	401	601	29	6,556	7,891
Fruits, fresh, tropical, N. O. S.....	7,682	161,084	144,221	7,159	619	444
Potatoes, other than sweet.....	204	2,797	1,952	313	157,112	133,308
Cabbage.....	371	5,846	5,312	299	4,430	3,087
Onions.....	747	9,591	6,264	393	5,188	4,930
Tomatoes.....	8,008	114,256	166,018	8,054	5,225	3,198
Vegetables, fresh, N. O. S.....	833	33,161	35,195	659	111,690	136,305
Beans and peas, dried.....	526	20,341	17,327	520	26,087	22,724
Fruits, dried or evaporated.....	481	13,937	15,881	291	18,724	18,827
Vegetables, dry, N. O. S.....	669	21,558	22,635	793	6,839	13,038
Vegetable-oil cake and meal, except cottonseed.....	496	13,110	14,630	258	24,893	25,004
Peanuts.....	19	421	558	10	6,419	6,060
Flaxseed.....	11	378	428	15	295	831
Sugar beets.....	12,360	376,289	381,990	9,592	349	457
Products of agriculture, N. O. S.....					297,174	306,677
TOTAL.....	62,553	1,675,009	1,613,376	56,299	1,484,748	1,441,499
ANIMALS AND PRODUCTS						
Horses, mules, ponies, and asses.....	22	294	671	24	400	546
Cattle and calves, single-deck.....	7,696	91,176	95,218	7,072	84,797	84,718
Calves, double-deck.....	269	2,725	2,830	312	3,627	3,304
Sheep and goats, single-deck.....	390	2,939	2,975	338	2,303	2,342
Sheep and goats, double-deck.....	1,959	17,519	15,101	2,643	23,769	17,419
Hogs, single-deck.....	89	1,103	1,706	9	201	173
Hogs, double-deck.....	656	7,686	7,527	368	5,491	6,067
Fresh meats, N. O. S.....	3,693	54,698	99,132	2,556	37,449	84,875
Meats, cured, dried or smoked.....	1,785	58,020	68,153	1,353	44,720	41,176
Butterine and margarine.....	189	4,792	6,146	194	4,644	5,143
Packing-house products, edible, N. O. S., except canned meats.....	829	22,407	30,584	1,476	40,782	45,103
Poultry, live.....	52	703	1,315	60	857	1,388
Poultry, dressed.....	1,003	18,573	57,262	579	9,960	17,600
Eggs.....	1,135	18,991	21,001	932	15,346	17,728
Butter.....	980	17,215	17,554	944	17,164	18,728
Cheese.....	1,039	24,177	27,404	897	20,910	22,651
Wool.....	3,149	48,563	67,099	2,505	39,722	41,927
Hides, green.....	1,113	27,415	27,298	833	20,143	17,954
Leather.....	668	15,987	16,306	621	15,412	14,737
Fish or sea-animal oil.....	2,085	59,659	86,899	1,108	30,869	40,317
Animals, live, N. O. S.....	20	417	499	28	503	390
Animal products, N. O. S. (other than fertilizer, etc.).....	3,671	98,080	107,719	4,584	114,870	119,758
TOTAL.....	32,492	593,139	760,317	29,436	533,939	607,306
PRODUCTS OF MINES						
Anthracite coal.....	127,804	7,335,782	8,810,129	161,682	9,245,381	11,104,623
Bituminous coal.....	171,916	9,906,764	5,067,561	185,477	10,762,424	5,547,498
Coke.....	9,577	366,038	253,692	8,615	319,712	229,421
Iron Ore.....	9,849	580,203	370,307	9,794	576,496	368,316
Copper ore and concentrates.....	705	41,562	30,689	7685	41,685	31,284
Lead ore and concentrates.....	264	15,303	16,870	7625	37,566	40,049
Zinc ore and concentrates.....	10,622	523,672	197,397	9,942	487,248	165,747
Ores and concentrates, N. O. S.....	5,160	296,159	227,287	8,174	473,640	385,380
Gravel and Sand (except glass or molding).....	16,104	876,478	693,485	20,194	1,091,535	861,159
Stone, broken, ground or crushed.....	3,632	212,152	119,333	5,931	355,914	196,319
Stone, rough, N. O. S.....	464	22,345	11,876	764	38,341	26,394
Stone, finished, N. O. S.....	310	12,443	6,112	532	21,552	13,623
Petroleum, crude.....	4,423	143,731	104,316	4,701	149,481	135,178
Asphalt (natural, by-product, or petroleum).....	4,047	148,136	166,983	4,253	155,514	173,265
Salt.....	2,732	121,822	116,093	1,788	78,988	90,739
Phosphate rock, crude (ground or not ground).....	2,065	108,834	39,071	2,823	147,697	52,572
Sulphur (brimstone).....	1,256	68,623	59,725	1,026	54,851	42,659
Products of mines, N. O. S.....	13,656	618,858	406,889	12,986	592,725	400,118
TOTAL.....	384,586	21,398,905	16,697,815	439,992	24,630,750	19,864,344

* N. O. S. indicates Not Otherwise Specified.

† Figures excluded from our 1944 report due to wartime censorship. Permission to release this information was authorized by the I. C. C. in order, dated May 2, 1945.

CARLOAD REVENUE FREIGHT TRAFFIC . . . Continued

COMMODITY	1945			1944		
	Carloads	Tons	Gross Revenue (Dollars)	Carloads	Tons	Gross Revenue (Dollars)
PRODUCTS OF FORESTS						
Logs.....	301	7,967	7,059	135	3,631	3,775
Posts, poles, and piling.....	1,099	29,609	18,436	1,703	54,364	34,233
Wood (fuel).....	38	1,056	1,489	21	798	1,020
Ties, railroad.....	1,160	39,211	35,102	3,003	110,575	104,491
Pulp wood.....	353	12,355	14,902	293	10,153	6,220
Lumber, shingles and lath.....	22,636	758,620	611,579	24,765	835,652	675,064
Box, crate, and cooperage materials.....	1,390	37,117	26,116	1,550	40,937	30,352
Veneer and built-up wood.....	357	11,263	10,169	235	6,173	6,313
Rosin.....	1,474	40,960	25,797	1,426	38,980	23,287
Turpentine.....	442	10,265	8,309	308	7,460	6,221
Crude rubber (not reclaimed).....	289	10,292	6,134	†214	7,604	4,030
Products of forests, N. O. S.....	4,040	69,741	81,093	3,669	67,294	81,564
TOTAL.....	33,579	1,028,456	846,185	37,322	1,183,621	976,570
MANUFACTURERS AND MISCELLANEOUS						
Petroleum oils, refined, and all other gasoline.....	59,020	1,735,137	2,409,965	104,706	3,082,646	3,990,646
Fuel, road, and petroleum residual oils, N. O. S.....	37,925	1,282,936	1,150,303	66,182	2,265,789	1,851,513
Lubricating oils and grease.....	20,613	566,588	809,641	19,679	540,204	795,518
Petroleum products, N. O. S.....	1,665	45,966	69,657	1,172	33,950	54,441
Cottonseed oil.....	2,301	70,634	39,292	1,444	43,832	23,820
Linseed oil.....	404	11,393	16,878	426	12,331	13,712
Vegetable oils, N. O. S.....	2,081	61,602	65,867	1,604	51,091	55,341
Sugar (beet or cane).....	1,469	56,851	47,225	1,326	56,106	49,124
Table sirups and edible molasses.....	918	30,289	20,988	658	22,173	14,647
Molasses, blackstrap and beet residual.....	178	6,988	3,526	178	7,134	5,131
Iron, pig.....	1,251	70,912	69,869	1,349	75,963	75,740
Iron and steel, rated 6th class, N. O. S.....	1,919	94,652	87,334	2,086	103,969	93,317
Rails, fastenings, frogs, and switches.....	2,086	93,203	97,184	2,407	117,316	125,117
Cast-iron pipe and fittings.....	584	13,518	14,160	359	9,226	10,505
Iron and steel pipes and fittings, N. O. S.....	4,530	143,719	167,940	4,394	145,818	150,622
Iron and steel: Nails and wire, not woven.....	1,701	52,529	44,931	1,571	47,835	42,541
Iron and steel, rated 5th class, N. O. S. (also tin and terne plate).....	35,323	1,270,222	1,551,493	41,223	1,539,932	1,847,180
Copper: Ingot, matte, and pig.....	4,653	240,378	262,051	†3,773	193,260	193,871
Copper, brass and bronze: Bar, sheet, and pipe.....	1,195	45,704	51,403	†1,930	84,439	87,341
Lead and Zinc: Ingot, pig, or bar.....	2,212	103,563	96,695	†2,694	127,825	106,422
Aluminum: Ingot, pig, or slab.....	276	11,675	18,329	†500	23,622	39,851
Machinery and boilers.....	12,498	250,169	387,570	10,997	221,851	344,007
Cement, natural or Portland (building).....	17,364	700,054	697,019	13,429	567,753	544,938
Brick, common.....	268	11,664	8,331	255	10,744	7,232
Brick, N. O. S., and building tile.....	2,301	90,358	81,421	2,431	100,472	94,834
Artificial stone, N. O. S.....	66	2,432	2,163	249	10,748	8,959
Lime, common (quick or slaked).....	2,126	78,960	68,221	2,130	79,752	66,225
Plaster (stucco or wall) and dry kalsomine.....	309	9,670	5,555	242	7,278	4,582
Sewer pipe and drain tile (not metal).....	515	10,001	11,391	391	7,855	10,436
Agricultural implements and parts, N. O. S.....	119	2,539	3,205	79	1,356	1,909
Vehicles, horse-drawn, and parts, N. O. S.....	313	6,247	5,431	497	9,873	10,361
Tractors and parts.....	1,522	40,583	48,352	1,820	46,482	64,015
Railway car wheels, axles, and trucks.....	358	13,198	16,175	418	15,170	23,295
Automobiles (passenger).....	2,246	23,180	70,038	2,703	25,307	77,705
Autotrucks.....	14,184	197,125	481,219	28,918	362,470	998,584
Automobiles and trucks, unassembled and parts, N. O. S.....	12,872	258,710	495,353	16,075	318,640	670,965
Automobiles and trucks tires.....	3,041	51,225	53,218	1,656	27,962	32,356
Furniture, metal.....	453	5,227	9,955	455	5,848	9,913
Furniture, other than metal.....	3,446	31,731	59,010	3,878	40,749	68,122
Beverages.....	18,061	546,566	602,356	15,460	455,062	491,694
Ice.....	263	8,137	4,213	322	10,005	5,498
Fertilizers, N. O. S.....	9,049	333,974	351,741	8,905	332,793	337,875
Newsprint paper.....	8,092	232,001	176,299	8,304	240,279	176,725
Printing paper, N. O. S.....	5,934	161,906	127,486	5,753	160,142	127,864
Alcohol, denatured or wood.....	1,246	31,565	47,551	†1,028	25,175	42,034
Sulphuric acid.....	4,400	224,031	218,755	†3,625	185,337	21,303
Explosives, N. O. S.....	14,729	604,769	2,304,702	†9,410	329,311	971,042
Cotton cloth and cotton fabrics, N. O. S.....	5,559	98,126	135,408	4,317	80,415	101,601
Bagging and bags, burlap, gunny, or jute.....	1,110	25,820	18,100	980	22,524	19,541
Canned food products, N. O. S.....	13,927	499,628	510,486	12,493	437,131	444,610
Tobacco, manufactured products.....	913	22,007	25,795	597	14,978	18,185
Paints in oil and varnishes.....	2,474	65,635	100,489	2,084	52,964	85,853
Furnace slag.....	940	47,765	33,883	845	43,097	37,387
Scrap iron and scrap steel.....	14,957	582,664	630,537	14,206	549,096	533,350
Paper bags and wrapping paper.....	4,916	136,738	110,766	3,462	95,696	81,893
Paperboard, pulpboard and wallboard (paper).....	11,328	315,104	198,931	10,111	276,349	170,778
Building paper and prepared roofing materials.....	5,985	160,209	155,379	5,215	132,791	127,111
Building woodwork (millwork).....	219	4,607	5,112	310	5,930	6,263
Soap and washing compounds.....	3,172	89,231	66,285	3,479	99,929	75,128
Glass, flat, other than plate.....	809	30,006	25,641	809	30,006	24,801
Glass: Bottles, jars, and jelly glasses.....	18,283	389,720	581,687	15,375	326,707	472,423
Manufactures and miscellaneous, N. O. S.....	254,102	6,433,380	8,149,335	268,636	6,831,362	8,646,940
TOTAL.....	656,773	18,835,121	24,179,295	741,970	21,181,850	25,875,737
GRAND TOTAL, CARLOAD TRAFFIC.....	1,169,983	43,530,630	44,096,988	1,305,019	49,014,908	48,765,456
Less than Carload Freight.....	x x x	570,873	1,373,745	x x x	551,049	1,354,309
GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC.....	x x x	44,101,503	45,470,733	x x x	49,565,957	50,119,765

† Figures excluded from our 1944 report due to wartime censorship. Permission to release this information was authorized by the I. C. C. in order dated May 2, 1945.

1945

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1945

ROAD OWNED AND LEASED	Gross Capital Charges	Retirements	Net Capital Charges
Purchase of coal pillars, Ashley, Pa.....	\$ 6,561.00		\$ 6,561.00
Renewal of bridge #172, Newark & Elizabeth Branch, N. J.....	26,532.07	\$ 3,168.38	23,363.69
Renewal of bridge #62 over Toms River, Barnegat Branch, N. J.....	7,390.91		7,390.91
Replacing spans 3 and 4 on bridge 0/10, Northampton, Pa.....	52,535.99	15,893.00	36,642.99
Betterment of rail and other track material (all divisions).....	112,854.91		112,854.91
Construction of side track to serve J. Howard Smith, Belford, N. J.....	9,305.50		9,305.50
Construction of new track scale, Kenil, N. J.....	17,412.98		17,412.98
Installation of flood lighting at float yard, Jersey City, N. J.....	13,855.97		13,855.97
Installation of flood lighting in Passenger Yard, Jersey City, N. J.....	12,179.12		12,179.12
Installation of flood lighting and revamping freight yard, Jersey City, N. J.....	42,999.37	15,387.45	27,611.92
Installation of loud speaker system, Allentown Yard, Pa.....	6,625.01		6,625.01
Construction of office, locker and storage room, Jersey City, N. J.....	13,664.38		13,664.38
Installation of ash handling facilities, Elizabethport, N. J.....	5,439.17		5,439.17
Installation of ash handling facilities, Phillipsburg, N. J.....	5,176.06		5,176.06
Improvements to engine terminal, Mauch Chunk, Pa.....	26,608.02		26,608.02
Installation of electric pump on dry dock #2 and #3, Jersey City, N. J.....	13,296.13		13,296.13
Construction of paint spraying plant, Elizabethport, N. J.....	28,474.12		28,474.12
Installation of loud speaker system, Pier 18, Jersey City, N. J.....	7,612.79		7,612.79
Replacing interlocking plant, Tower C, Jersey City, N. J.....	35,329.79		35,329.79
Respacing signals between Tower C and West 8th St., Bayonne, N. J.....	23,185.65		23,185.65
Purchase drills, rail grinders and saw for Maint. of Way Dept.....	5,380.97		5,380.97
Purchase of turret lathe, Elizabethport, N. J.....	18,702.00		18,702.00
Purchase of crank pin machine for shops, Elizabethport, N. J.....	17,453.65		17,453.65
Purchase of Niles car wheel borer, Elizabethport, N. J.....	21,901.45	6,369.63	15,531.82
Purchase of other shop machinery, Elizabethport, N. J.....	34,811.37		34,811.37
Purchase of two low lift trucks, Elizabethport, N. J.....	6,971.19		6,971.19
Retirements:			
Jersey City, N. J., tracks serving Dock 9.....		7,218.00	7,218.00
Jersey City, N. J., elevated crane at Dock 12.....		7,207.78	7,207.78
Highland Beach to Long Branch, portion of Seashore Branch.....		889,835.36	889,835.36
Atlantic Highlands, N. J., track and trestle.....		33,927.62	33,927.62
Southern Division, tracks.....		33,736.21	33,736.21
Vulcanite, N. J., passing siding.....		5,181.00	5,181.00
Lakewood, N. J., passing siding.....		6,956.00	6,956.00
Phillipsburg, N. J., tracks and signal apparatus.....		9,311.92	9,311.92
Long Valley, N. J., track scale.....		6,745.47	6,745.47
Jersey City, N. J., wood pontoon, float bridge.....		10,179.00	10,179.00
Elizabethport, N. J., Dock 6½.....		296,026.03	296,026.03
Bivalve, N. J., freight station.....		90,087.22	90,087.22
Elmora, N. J., station building.....		6,122.00	6,122.00
Elizabethport and Ashley, shop machinery.....		17,906.07	17,906.07
Mauch Chunk, Pa., machine shop, locker and bunk house.....		9,482.00	9,482.00
Nesquehoning, Pa., auxiliary pumping station.....		5,683.89	5,683.89
Miscellaneous.....	159,356.89	79,109.61	80,247.28
Total Road Owned and Leased.....	\$ 731,616.46	\$ 1,555,533.64	\$ 823,917.18
EQUIPMENT:			
New Equipment Purchased:			
Ten White automobile trucks.....	\$ 30,043.22		\$ 30,043.22
One Jordon spreader.....	16,878.04		16,878.04
One tractor and four trailers.....	14,592.00		14,592.00
Additions and Betterments:			
Installation of equipment for head end lighting of passenger cars.....	82,568.79		82,568.79
Installing A-B air brakes on freight cars.....	59,640.81		59,640.81
Miscellaneous additions and betterments.....	32,472.52		32,472.52
Retired Equipment:			
Locomotives.....		\$ 510,234.03	510,234.03
Freight train cars.....		83,279.10	83,279.10
Passenger train cars.....		17,358.86	17,358.86
Work equipment.....		2,755.41	2,755.41
Floating equipment.....		650.00	650.00
Miscellaneous equipment.....		1,430.50	1,430.50
Total Equipment.....	\$ 236,195.38	\$ 615,707.90	\$ 379,512.52
Grand Total.....	\$ 967,811.84	\$2,171,241.54	\$ 1,203,429.70

Italics denote credits

EQUIPMENT

LOCOMOTIVES	December 31, 1945				December 31, 1944			
	Number	Average Weight (Tons)		Average Tractive Power	Number	Average Weight (Tons)		Average Tractive Power
		Total	On Drivers			Total	On Drivers	
4 Wheel Switch.....	1	56.2	56.2	22,272	1	56.2	56.2	22,272
6 Wheel Switch.....	64	76.9	76.9	34,574	66	76.8	76.8	34,520
8 Wheel Switch.....	55	122.0	122.0	56,810	55	122.0	122.0	57,111
Oil Electric Switch.....	31	105.8	105.8	52,914	31	105.8	105.8	52,914
10-Wheeler.....	78	105.5	80.4	34,973	81	105.0	80.1	34,634
12-Wheeler.....	22	112.0	85.9	39,564	24	112.0	85.9	39,564
Suburban.....	6	145.9	81.8	30,940	15	120.3	74.0	26,015
Consolidation.....	14	113.4	101.0	40,555	14	113.4	101.0	40,555
Atlantic.....	6	107.9	63.9	28,433	6	107.9	63.9	28,433
Pacific.....	21	158.8	98.6	45,979	21	158.8	98.6	45,979
Mikado.....	82	169.4	125.8	62,949	86	169.0	125.5	62,949
Total.....	380	45,998.4	37,796.9	17,649,553	400	48,212.8	39,428.9	18,344,666
Average.....		121.0	99.5	46,446		120.5	98.6	45,862

FREIGHT CARS	December 31, 1945		December 31, 1944	
	Number	Capacity (Tons)	Number	Capacity (Tons)
Box.....	2,843	125,890	2,856	126,400
Automobile.....	200	10,000	200	10,000
Refrigerator.....	17	650	17	650
Coal.....	5,736	309,265	5,741	309,535
Gondola—Steel.....	518	31,350	518	31,350
Gondola Steel Underframe.....	2,576	148,730	2,634	151,590
Ore.....	68	3,060	68	3,060
Flat.....	7	280	7	280
Cement.....	184	12,280	184	12,280
Container.....	3	150	3	150
Caboose.....	150	—	150	—
Poling Cars.....	7	—	7	—
Total.....	12,309	641,655	12,385	645,295

PASSENGER CARS	Number December 31		MARINE EQUIPMENT	Number December 31	
	1945	1944		1945	1944
Coaches.....	471	471	Ferryboats.....	10	10
Combination Passenger.....	59	60	Tugboats.....	8	8
Other Combination.....	13	13	Steam Lighters.....	3	3
Dining.....	3	3	Other Lighters.....	39	38
Baggage and Express.....	58	59	Covered Barges.....	51	52
Club.....	1	1	Car Floats.....	17	17
Total.....	605	607	Water Pile Drivers.....	3	3
			Launch.....	—	—
WORK EQUIPMENT			Total.....	131	131
Cinder Cars.....	8	8			
Business Cars.....	2	2			
Locomotive Cranes.....	24	24			
Pile Drivers.....	1	1			
Work Cars.....	141	135			
Total.....	176	170			

MILES OF ROAD AND TRACK OPERATED—DECEMBER 31, 1945

	Owned (*)		Leased		Trackage Rights		Total		
	Main Line	Branches	Main Line	Branches	Main Line	Branches	Main Line	Branches	All
Miles of Road Operated.....	169.69	203.02	109.39	80.94	47.46	38.16	326.54	322.12	648.66
Second Main Track.....	72.82	27.89	92.54	10.54	47.39	7.56	212.75	45.99	258.74
Other Main Tracks.....	93.39	4.74	4.80	—	—	—	98.19	4.74	102.93
Passing Tracks, Crossovers and Turn-outs.....	25.63	9.05	17.19	1.26	.74	1.32	43.56	11.63	55.19
Way Switching Tracks.....	53.80	47.75	32.57	33.34	34.49	2.82	120.86	83.91	204.77
Yard Switching Tracks.....	261.74	110.25	130.16	27.39	—	12.47	391.90	150.11	542.01
Total Tracks Operated.....	677.07	402.70	386.65	153.47	130.08	62.33	1,193.80	618.50	1,812.30

(*) Includes 4.74 miles owned by the Central Railroad Co. of Pennsylvania.

WEIGHT OF RAIL IN MAIN TRACKS

WEIGHT PER YARD	1st Main Track Miles		2nd Main Track Miles		Other Main Track Miles		Total
	Main Line	Branch Line	Main Line	Branch Line	Main Line	Branch Line	
135 pounds.....	9.60	4.98	7.44	2.35	2.22	1.02	27.61
131 pounds.....	8.51	2.96	4.27	1.03	3.41	—	20.18
130 pounds.....	155.63	42.42	146.13	24.36	79.05	2.09	449.68
100 pounds.....	60.60	122.99	7.52	9.42	12.18	1.63	214.34
90 pounds.....	43.97	76.70	—	.65	1.33	—	122.65
85 pounds.....	—	11.31	—	—	—	—	11.31
80 pounds.....	—	4.48	—	.62	—	—	5.10
76 pounds.....	—	2.42	—	—	—	—	2.42
70 pounds.....	—	12.49	—	—	—	—	12.49
67½ pounds.....	—	2.82	—	—	—	—	2.82
66 pounds.....	—	.06	—	—	—	—	.06
62½ pounds.....	—	.33	—	—	—	—	.33
60 pounds.....	.77	—	—	—	—	—	.77
	279.08	283.96	165.36	38.43	98.19	4.74	869.76

